

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

### Gross Margin:

	Three Months Ended March 31, 2023	Three Months Ended April 1, 2022	Basis Point Growth (Decline)
<b>Reported Gross Margin (GAAP)</b>	<b>60.68%</b>	<b>61.01%</b>	<b>(33)</b>
Items Impacting Comparability (Non-GAAP)	(0.25%)	1.31%	
Comparable Gross Margin (Non-GAAP)	60.93%	59.70%	123
Comparable Currency Impact (Non-GAAP)	(0.47%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	61.40%	59.70%	170
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.10%	(0.17%)	
Underlying Gross Margin (Non-GAAP)	61.30%	59.87%	143

The earnings conference call on April 24, 2023 included a reference to full year 2023 adjusted free cash flow conversion ratio, a non-GAAP financial measure, which is calculated by dividing adjusted free cash flow (non-GAAP) by adjusted net income attributable to shareowners (non-GAAP). The company is not able to reconcile full year 2023 adjusted free cash flow conversion ratio (non-GAAP) to the ratio of full year 2023 net cash provided by operating activities to full year 2023 net income attributable to shareowners without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the exact timing and amount of items impacting comparability throughout 2023. The unavailable information could have a significant impact on the company's full year 2023 reported financial results.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions except net debt leverage)

### Gross Debt and Net Debt:

	As of March 31, 2023
Cash and cash equivalents	\$ 12,004
Short-term investments	1,166
Marketable securities	1,125
Total cash, cash equivalents, short-term investments and marketable securities (Non-GAAP)	\$ 14,295
Loans and notes payable	\$ 5,455
Current maturities of long-term debt	811
Long-term debt	36,134
Gross debt (Non-GAAP)	\$ 42,400
Net debt (Non-GAAP) <sup>1</sup>	\$ 28,105

<sup>1</sup> Net debt is calculated by subtracting total cash, cash equivalents, short-term investments and marketable securities from gross debt.

### EBITDA:

	March 31, 2023 Trailing Twelve Months
Income before income taxes	\$ 12,281
<u>Less income items:</u>	
Interest income	539
Other income (loss) — net	458
<u>Add expense items:</u>	
Interest expense	1,072
Depreciation and amortization	1,222
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$ 13,578
Items impacting comparability	1,781
Comparable EBITDA (Non-GAAP)	\$ 15,359

### Net Debt Leverage:

	As of March 31, 2023
Net debt (Non-GAAP)	\$ 28,105
Comparable EBITDA (Non-GAAP)	\$ 15,359
Net debt leverage (Non-GAAP)	1.8x

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(UNAUDITED)

(In millions)

**Gross Debt and Net Debt:**

	As of March 31, 2023
<b>Cash and cash equivalents</b>	\$ 12,004
<b>Short-term investments</b>	1,166
<b>Marketable securities</b>	1,125
Total cash, cash equivalents, short-term investments and marketable securities (Non-GAAP)	\$ 14,295
<b>Loans and notes payable</b>	\$ 5,455
<b>Current maturities of long-term debt</b>	811
<b>Long-term debt</b>	36,134
Gross debt (Non-GAAP)	\$ 42,400
Net debt (Non-GAAP) <sup>1</sup>	\$ 28,105

<sup>1</sup> Net debt is calculated by subtracting total cash, cash equivalents, short-term investments and marketable securities from gross debt.

**EBITDA:**

	March 31, 2023 Trailing Twelve Months	Three Months Ended March 31, 2023	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022	Three Months Ended July 1, 2022
<b>Income before income taxes</b>	\$ 12,281	\$ 4,053	\$ 2,500	\$ 3,444	\$ 2,284
<u>Less income items:</u>					
<b>Interest income</b>	539	168	143	128	100
<b>Other income (loss) — net</b>	458	615	247	(53)	(351)
<u>Add expense items:</u>					
<b>Interest expense</b>	1,072	372	304	198	198
<b>Depreciation and amortization</b>	1,222	286	307 <sup>2</sup>	307 <sup>3</sup>	322 <sup>4</sup>
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$ 13,578	\$ 3,928	\$ 2,721	\$ 3,874	\$ 3,055

**Comparable EBITDA:**

Comparable income before income taxes (Non-GAAP)	\$ 13,583	\$ 3,693	\$ 2,427	\$ 3,663	\$ 3,800
<u>Less income items:</u>					
<b>Interest income</b>	539	168	143	128	100
Comparable other income (loss) — net (Non-GAAP)	3	58	(55)	(12)	12
<u>Add expense items:</u>					
Comparable interest expense (Non-GAAP)	1,096	378	310	204	204
<b>Depreciation and amortization</b>	1,222	286	307 <sup>2</sup>	307 <sup>3</sup>	322 <sup>4</sup>
Comparable EBITDA (Non-GAAP)	\$ 15,359	\$ 4,131	\$ 2,956	\$ 4,058	\$ 4,214

<sup>2</sup> Calculated by subtracting depreciation and amortization of \$953 million during the nine months ended September 30, 2022 from depreciation and amortization of \$1,260 million during the year ended December 31, 2022.

<sup>3</sup> Calculated by subtracting depreciation and amortization of \$646 million during the six months ended July 1, 2022 from depreciation and amortization of \$953 million during the nine months ended September 30, 2022.

<sup>4</sup> Calculated by subtracting depreciation and amortization of \$324 million during the three months ended April 1, 2022 from depreciation and amortization of \$646 million during the six months ended July 1, 2022.