



# Q2 2023 MARGIN ANALYSIS

July 26, 2023

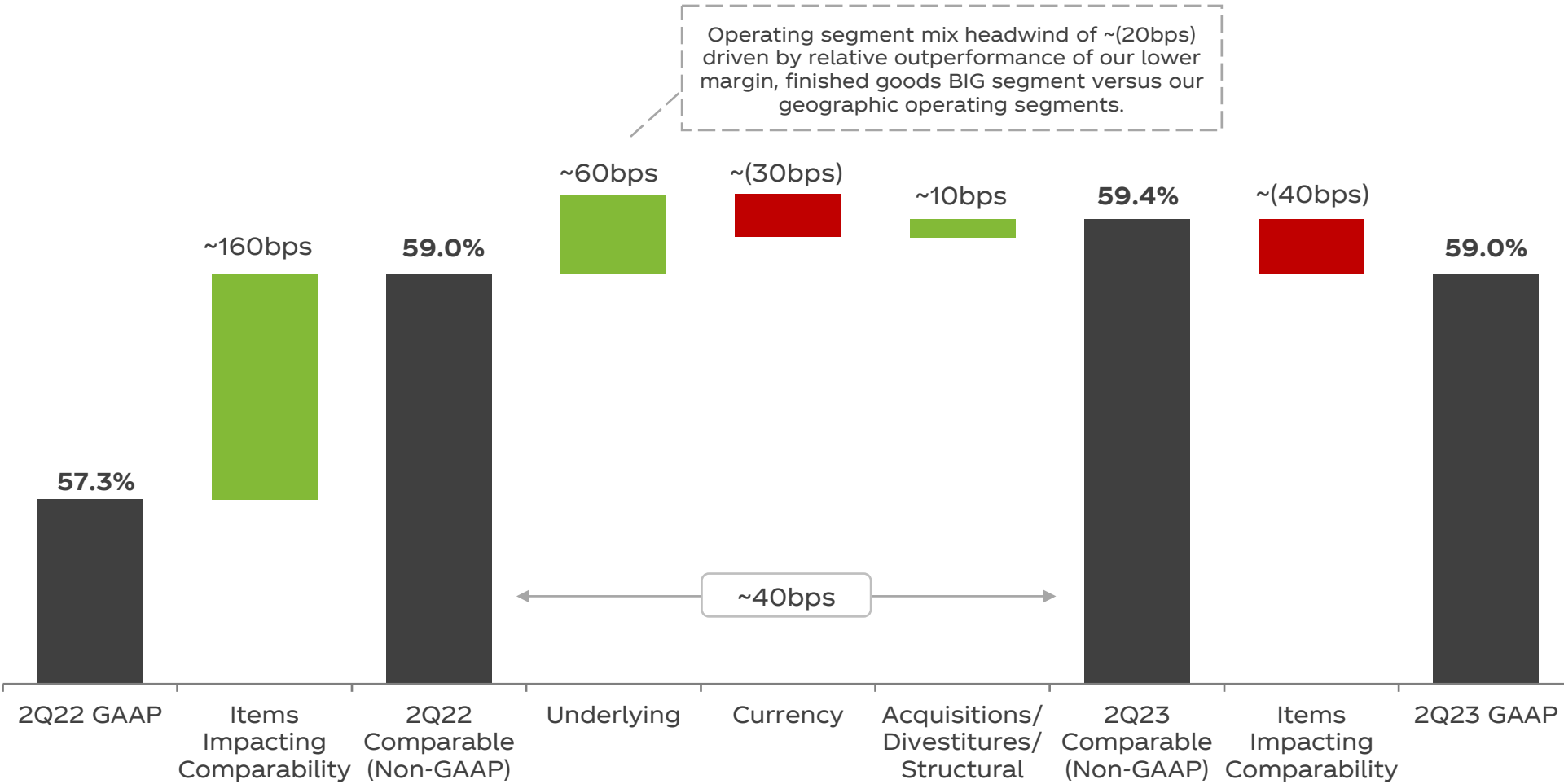
## RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

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.



# Q2 2023 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



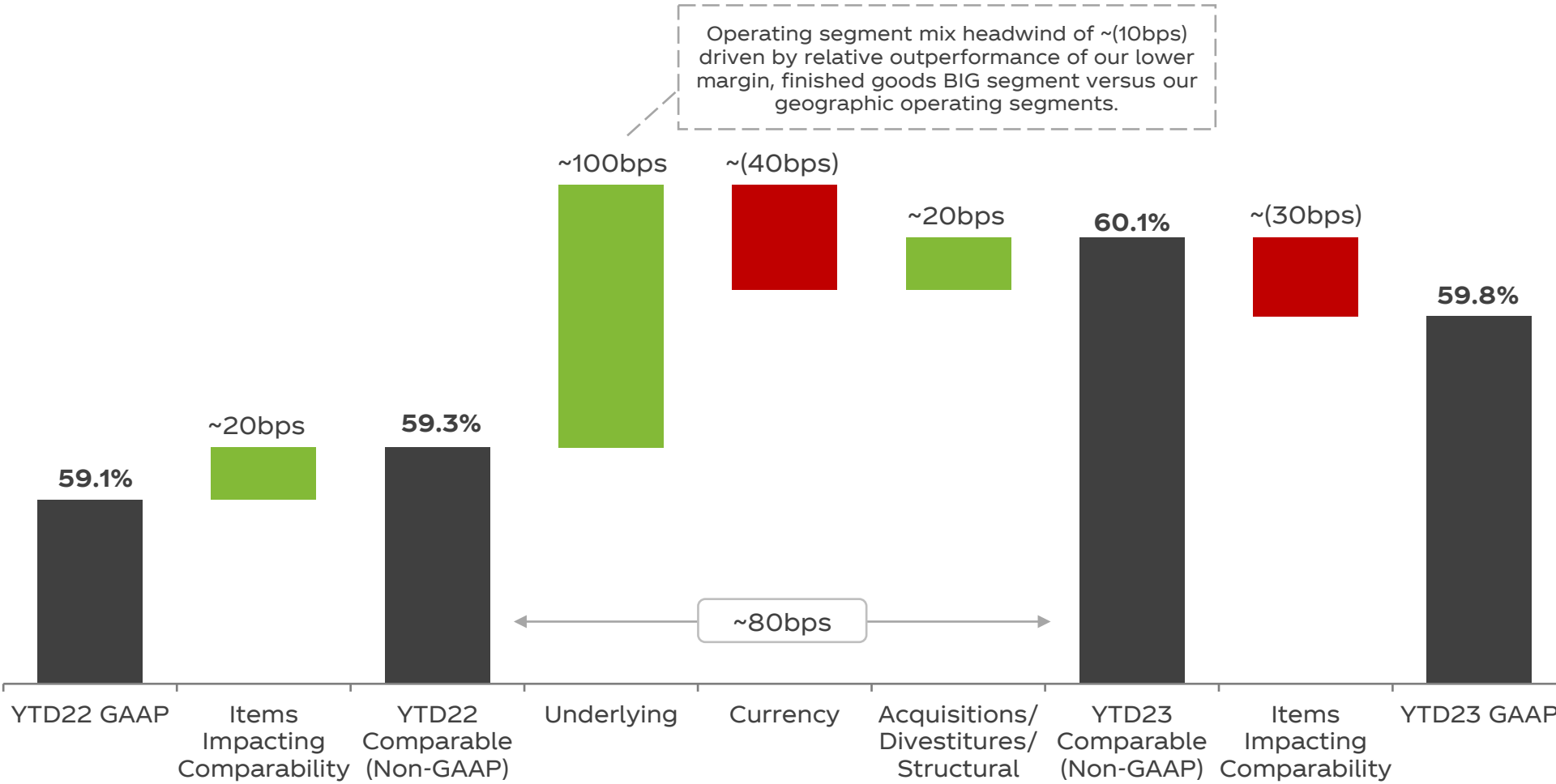
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~60 bps, driven by strong organic revenue growth, partially offset by higher commodity costs.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.



# YTD 2023 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN

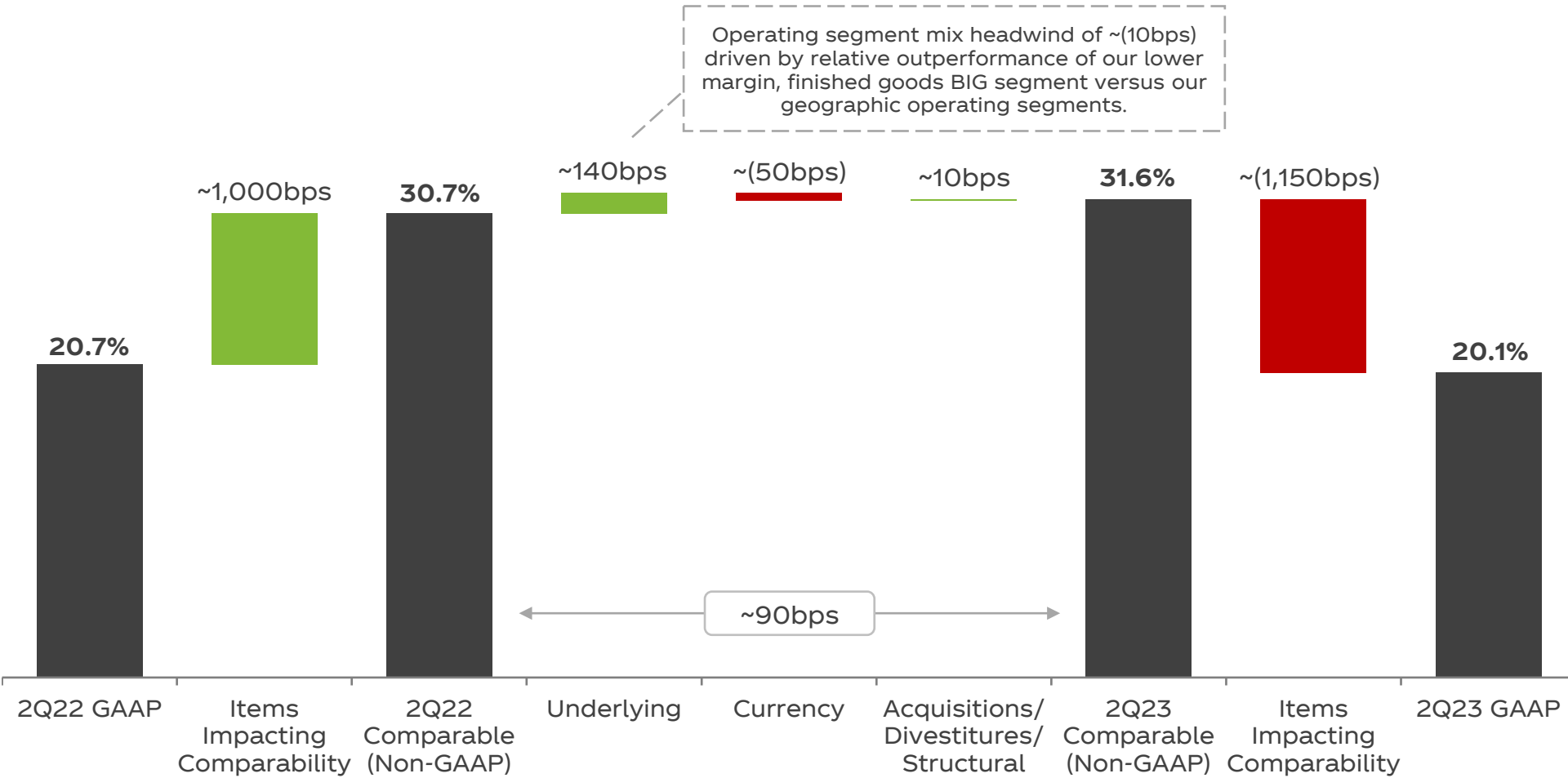


## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~100 bps, driven by strong organic revenue growth, a benefit from the phasing of inventory costs and cycling the timing of M&A expenses, partially offset by higher commodity costs.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.

# Q2 2023 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



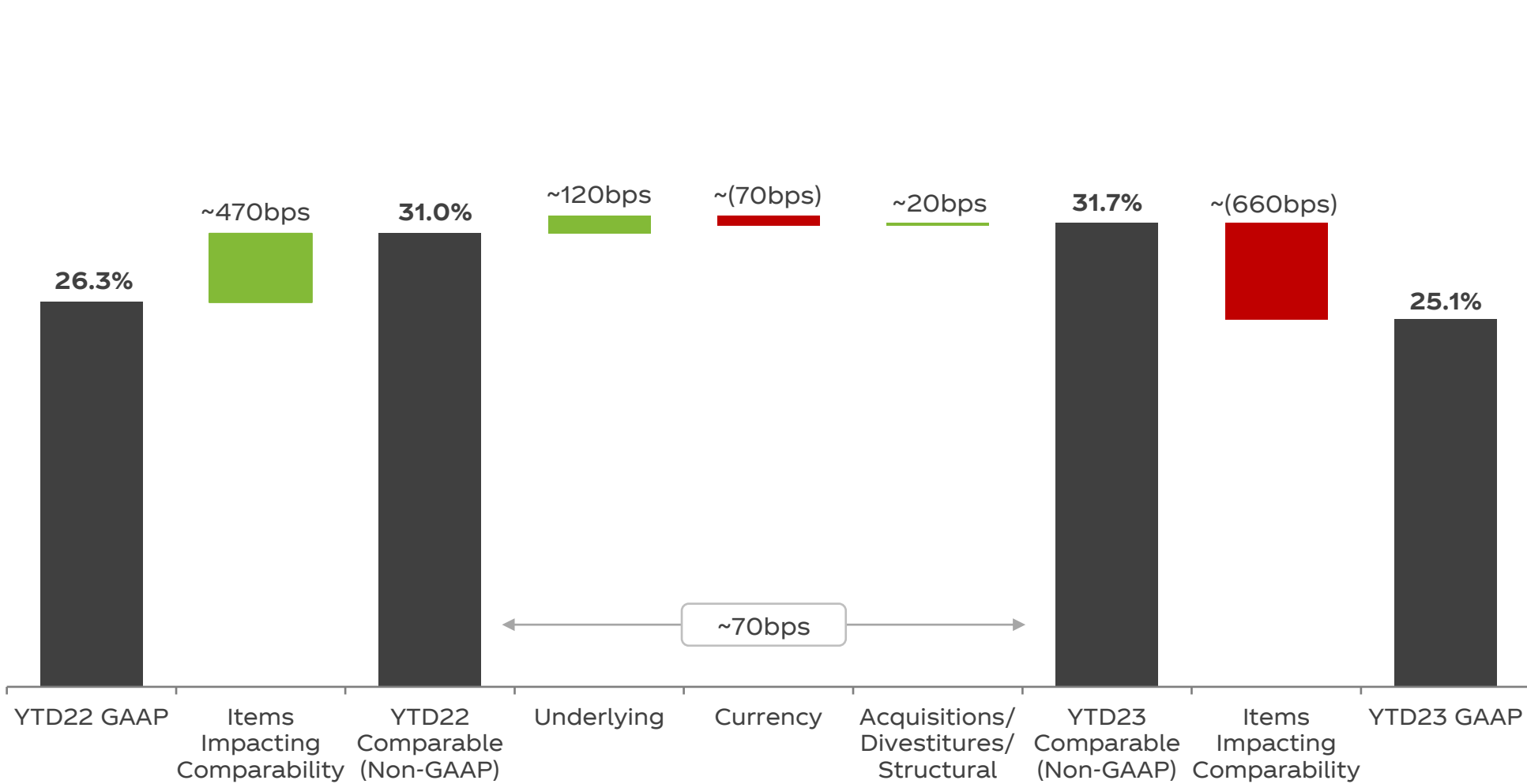
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to transaction gains & losses, restructuring initiatives and economic hedging activities.
- Underlying operating margin expanded by ~140 bps, primarily driven by topline growth across operating segments, partially offset by an increase in marketing investments and operating costs.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.



# YTD 2023 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



### KEY TAKEAWAYS

- Items impacting comparability primarily relate to transaction gains & losses, restructuring initiatives and economic hedging activities.
- Underlying operating margin expanded by ~120 bps, primarily driven by topline growth across operating segments, partially offset by an increase in marketing investments and operating costs.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.

Note: Numbers may not add due to rounding.



# 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 June 30, 2023	Three Months Ended July 1, 2022	Basis Point Growth
<b>Reported Gross Margin (GAAP)</b>	<b>58.97%</b>	<b>57.34%</b>	<b>163</b>
Items Impacting Comparability (Non-GAAP)	(0.43%)	(1.65%)	
Comparable Gross Margin (Non-GAAP)	59.40%	58.99%	41
Comparable Currency Impact (Non-GAAP)	(0.30%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	59.70%	58.99%	71
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.00%	(0.13%)	
Underlying Gross Margin (Non-GAAP)	59.70%	59.12%	58

	Six Months Ended June 30, 2023	Six Months Ended July 1, 2022	Basis Point Growth
<b>Reported Gross Margin (GAAP)</b>	<b>59.79%</b>	<b>59.11%</b>	<b>68</b>
Items Impacting Comparability (Non-GAAP)	(0.34%)	(0.22%)	
Comparable Gross Margin (Non-GAAP)	60.13%	59.33%	80
Comparable Currency Impact (Non-GAAP)	(0.39%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	60.52%	59.33%	119
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.05%	(0.15%)	
Underlying Gross Margin (Non-GAAP)	60.47%	59.48%	99

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

### Operating Margin:

	Three Months Ended June 30, 2023	Three Months Ended July 1, 2022	Basis Point Growth (Decline)
<b>Reported Operating Margin (GAAP)</b>	<b>20.05%</b>	<b>20.68%</b>	<b>(63)</b>
Items Impacting Comparability (Non-GAAP)	(11.55%)	(9.98%)	
Comparable Operating Margin (Non-GAAP)	31.60%	30.66%	94
Comparable Currency Impact (Non-GAAP)	(0.53%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	32.13%	30.66%	147
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.00%	(0.11%)	
Underlying Operating Margin (Non-GAAP)	32.13%	30.77%	136

	Six Months Ended June 30, 2023	Six Months Ended July 1, 2022	Basis Point Growth (Decline)
<b>Reported Operating Margin (GAAP)</b>	<b>25.13%</b>	<b>26.34%</b>	<b>(121)</b>
Items Impacting Comparability (Non-GAAP)	(6.58%)	(4.70%)	
Comparable Operating Margin (Non-GAAP)	31.71%	31.04%	67
Comparable Currency Impact (Non-GAAP)	(0.65%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	32.36%	31.04%	132
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.05%	(0.10%)	
Underlying Operating Margin (Non-GAAP)	32.31%	31.14%	117