

THE COCA-COLA COMPANY AND SUBSIDIARIES

Reconciliation of GAAP and Non-GAAP Financial Measures

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 operating margin,” “underlying operating margin,” “comparable operating income,” “comparable currency neutral operating income,” “comparable EPS,” “comparable currency neutral EPS,” “comparable currency neutral EPS excluding acquisitions and divestitures,” “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.
- “Acquisitions and divestitures” generally refers to acquisitions and divestitures of brands or businesses, some of which the company considers to be structural changes. The impact of acquisitions and divestitures is the difference between the change in the relevant metric and the change in what that metric would have been if we removed the amount associated with an acquisition or a divestiture from either the current year or the prior year, as applicable. We generally refer to acquisitions and divestitures of bottling operations as “structural changes,” which are a component of acquisitions and divestitures and also include the impact of intercompany transactions between our operating segments, as applicable. Typically, structural changes do not impact the company’s unit case volume on a consolidated basis or at the geographic operating segment level. In May 2025, the company refranchised our bottling operations in certain territories in India. The impact of this refranchising has been included as a structural change in our analysis of net revenues on a consolidated basis as well as for the Bottling Investments and Asia Pacific operating segments for the three months ended April 3, 2026. Additionally, in October 2025, the company sold our finished product operations in Nigeria. The impact of this sale has been included as a divestiture in our analysis of net revenues on a consolidated basis as well as for the EMEA operating segment for the three months ended April 3, 2026.
- “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 fluctuations 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 and divestitures, as applicable, and the impact of fluctuations 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 and divestitures.

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- “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 fluctuations 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 fluctuations in foreign currency exchange rates, and the impact of acquisitions and divestitures, 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,” “comparable currency neutral EPS” and “comparable currency neutral EPS excluding acquisitions and divestitures” 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 been adjusted for the impact of fluctuations in foreign currency exchange rates, and comparable currency neutral EPS excluding acquisitions and divestitures (non-GAAP) has been adjusted for the impact of fluctuations in foreign currency exchange rates and the impact of acquisitions and divestitures, 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 EPS (non-GAAP), comparable currency neutral EPS (non-GAAP) and comparable currency neutral EPS excluding acquisitions and divestitures (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, transaction gains/losses including associated costs, and charges related to restructuring initiatives, 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 fluctuations 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 ended March 28, 2025, the company recorded an other-than-temporary impairment charge of \$25 million in Latin America, primarily driven by the restructuring of a joint venture.

Equity Investees

During the three months ended April 3, 2026 and March 28, 2025, the company recorded net charges of \$33 million and \$8 million, respectively. These amounts represent the company's proportionate share of significant operating and nonoperating items recorded by certain of our equity method investees.

Transaction Gains/Losses

During the three months ended April 3, 2026, the company recorded an impairment charge of \$10 million related to our bottling operations in Africa, which are held for sale.

During the three months ended March 28, 2025, the company recorded a gain of \$331 million related to the sale of a portion of our ownership interest in Coca-Cola Europacific Partners plc, an equity method investee. The company also recorded a charge of \$47 million related to the remeasurement of our contingent consideration liability to fair value in conjunction with our acquisition of fairlife. In March 2025, the company made the remaining milestone payment for fairlife.

Restructuring

During the three months ended March 28, 2025, the company recorded charges of \$11 million. The costs incurred were primarily related to certain initiatives designed to further simplify and standardize our organization as part of our productivity and reinvestment program.

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 consolidated statement of income. Management believes this adjustment provides meaningful information related to the impact of our economic hedging activities. During the three months ended April 3, 2026 and March 28, 2025, the net impact of the company's adjustment related to our economic hedging activities resulted in a decrease of \$86 million and an increase of \$47 million, respectively, to our non-GAAP income before income taxes.

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, unless individually significant. Management believes this adjustment provides meaningful information related to the impact of our investments in equity and trading debt securities. During the three months ended April 3, 2026 and March 28, 2025, the net impact of the company's adjustment related to unrealized gains and losses on our equity and trading debt securities resulted in increases of \$86 million and \$44 million, respectively, to our non-GAAP income before income taxes.

Other

During the three months ended April 3, 2026 and March 28, 2025, the company recorded charges of \$10 million and \$9 million, respectively, related to an indemnification agreement entered into as a part of the refranchising of certain bottling operations. The company also recorded charges of \$4 million and \$3 million, respectively, for the amortization of noncompete agreements related to the BODYARMOR acquisition in 2021. Additionally, the company recorded net charges of \$3 million in both periods related to tax litigation expense.

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During the three months ended April 3, 2026, the company recorded a charge of \$4 million related to North America modernization initiatives.

During the three months ended March 28, 2025, the company recorded a charge of \$36 million related to non-U.S. pension curtailment and special termination benefits. The company also recorded net charges of \$2 million related to restructuring our manufacturing operations in the United States.

Certain Tax Matters

During the three months ended April 3, 2026, the company recorded a net income tax benefit of \$194 million, primarily associated with return to provision adjustments, and a net income tax benefit of \$53 million for changes to the company's uncertain tax positions, including interest and penalties, as well as for various discrete tax items. The company also recorded \$32 million of excess tax benefits associated with the company's stock-based compensation arrangements.

During the three months ended March 28, 2025, the company recorded a net income tax benefit of \$138 million for changes to the company's uncertain tax positions, including interest and penalties, as well as for various discrete tax items, \$19 million of excess tax benefits associated with the company's stock-based compensation arrangements, and net income tax expense of \$14 million, primarily associated with return to provision adjustments.

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(In millions except per share data)

Three Months Ended April 3, 2026								
	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)	\$ 12,472	\$ 4,620	\$ 7,852	63.0%	\$ 3,472	\$ 21	\$ 4,359	35.0%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	—	—	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	—	—	
Restructuring	—	—	—		—	—	—	
Other Items	(1)	79	(80)		—	(21)	(59)	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	\$ 12,471	\$ 4,699	\$ 7,772	62.3%	\$ 3,472	\$ —	\$ 4,300	34.5%

Three Months Ended March 28, 2025								
	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)	\$ 11,129	\$ 4,163	\$ 6,966	62.6%	\$ 3,234	\$ 73	\$ 3,659	32.9%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	—	—	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(47)	47	
Restructuring	—	—	—		—	(11)	11	
Other Items	87	32	55		—	(15)	70	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	\$ 11,216	\$ 4,195	\$ 7,021	62.6%	\$ 3,234	\$ —	\$ 3,787	33.8%

	Net operating revenues	Cost of goods sold	Gross profit	Selling, general and administrative expenses	Other operating charges	Operating income
% Change — Reported (GAAP)	12	11	13	7	(71)	19
% Currency Impact	3	2	4	4	—	4
% Change — Currency Neutral (Non-GAAP)	9	9	9	4	—	15
% Change — Comparable (Non-GAAP)	11	12	11	7	—	14
% Comparable Currency Impact (Non-GAAP)	2	2	2	4	—	1
% Change — Comparable Currency Neutral (Non-GAAP)	9	11	8	4	—	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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Reconciliation of GAAP and Non-GAAP Financial Measures

(In millions except per share data)

Three Months Ended April 3, 2026								
	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)	\$ 375	\$ 384	\$ 21	\$ 4,611	\$ 645	14.0%	\$ 3,924	\$ 0.91
Items Impacting Comparability:								
Asset Impairments	—	—	—	—	—		—	—
Equity Investees	—	33	—	33	3		30	0.01
Transaction Gains/Losses	—	—	10	10	—		10	—
Restructuring	—	—	—	—	—		—	—
Other Items	6	—	86	21	3		18	—
Certain Tax Matters	—	—	—	—	279		(279)	(0.06)
Comparable (Non-GAAP)	\$ 381	\$ 417	\$ 117	\$ 4,675	\$ 930	19.9% ²	\$ 3,703	\$ 0.86

Three Months Ended March 28, 2025								
	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)	\$ 387	\$ 351	\$ 254	\$ 4,057	\$ 722	17.8%	\$ 3,330	\$ 0.77
Items Impacting Comparability:								
Asset Impairments	—	—	25	25	—		25	0.01
Equity Investees	—	8	—	8	—		8	—
Transaction Gains/Losses	—	—	(331)	(284)	(78)		(206)	(0.05)
Restructuring	—	—	—	11	3		8	—
Other Items	6	—	80	144	34		110	0.03
Certain Tax Matters	—	—	—	—	143		(143)	(0.03)
Comparable (Non-GAAP)	\$ 393	\$ 359	\$ 28	\$ 3,961	\$ 824	20.8%	\$ 3,132	\$ 0.73

	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)	(3)	9	(92)	14	(11)	18	18
% Change — Comparable (Non-GAAP)	(3)	16	347	18	13	18	18

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 discussed above.

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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Diluted Net Income Per Share:

% 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)

Three Months Ended April 3, 2026
18
6
12

0
18
3
15

Note: Certain columns may not add due to rounding.

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(In millions)

Net Operating Revenues by Operating Segment and Corporate:

Three Months Ended April 3, 2026								
	EMEA	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
Reported (GAAP)	\$ 3,012	\$ 1,678	\$ 4,893	\$ 1,508	\$ 1,640	\$ 32	\$ (291)	\$ 12,472
Items Impacting Comparability:								
Other Items	(8)	14	(4)	(3)	—	—	—	(1)
Comparable (Non-GAAP)	\$ 3,004	\$ 1,692	\$ 4,889	\$ 1,505	\$ 1,640	\$ 32	\$ (291)	\$ 12,471

Three Months Ended March 28, 2025								
	EMEA	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
Reported (GAAP)	\$ 2,657	\$ 1,477	\$ 4,361	\$ 1,421	\$ 1,463	\$ 26	\$ (276)	\$ 11,129
Items Impacting Comparability:								
Other Items	16	48	3	20	—	—	—	87
Comparable (Non-GAAP)	\$ 2,673	\$ 1,525	\$ 4,364	\$ 1,441	\$ 1,463	\$ 26	\$ (276)	\$ 11,216

	EMEA	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
% Change — Reported (GAAP)	13	14	12	6	12	20	(6)	12
% Currency Impact	6	5	0	2	4	1	—	3
% Change — Currency Neutral (Non-GAAP)	7	9	12	5	8	20	—	9
% Acquisitions, Divestitures and Structural Changes	(3)	0	0	0	(2)	0	—	(1)
% Change — Organic Revenues (Non-GAAP)	11	9	12	5	10	20	—	10
% Change — Comparable (Non-GAAP)	12	11	12	4	12	20	—	11
% Comparable Currency Impact (Non-GAAP)	5	3	0	0	4	1	—	2
% Change — Comparable Currency Neutral (Non-GAAP)	7	8	12	4	8	20	—	9

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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(In millions)

Operating Income (Loss) by Operating Segment and Corporate:

	Three Months Ended April 3, 2026						
	EMEA	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
Reported (GAAP)	\$ 1,259	\$ 1,038	\$ 1,606	\$ 536	\$ 191	\$ (271)	\$ 4,359
Items Impacting Comparability:							
Transaction Gains/Losses	—	—	—	—	—	—	—
Restructuring	—	—	—	—	—	—	—
Other Items	(10)	14	(75)	(3)	(2)	17	(59)
Comparable (Non-GAAP)	\$ 1,249	\$ 1,052	\$ 1,531	\$ 533	\$ 189	\$ (254)	\$ 4,300

	Three Months Ended March 28, 2025						
	EMEA	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
Reported (GAAP)	\$ 1,065	\$ 904	\$ 1,341	\$ 624	\$ 119	\$ (394)	\$ 3,659
Items Impacting Comparability:							
Transaction Gains/Losses	—	—	—	—	—	47	47
Restructuring	—	—	—	—	—	11	11
Other Items	19	48	(29)	20	(3)	15	70
Comparable (Non-GAAP)	\$ 1,084	\$ 952	\$ 1,312	\$ 644	\$ 116	\$ (321)	\$ 3,787

	EMEA	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
% Change — Reported (GAAP)	18	15	20	(14)	62	31	19
% Currency Impact	6	5	1	3	12	(2)	4
% Change — Currency Neutral (Non-GAAP)	13	10	19	(17)	50	33	15

% Impact of Items Impacting Comparability (Non-GAAP)	3	4	3	3	(3)	11	6
% Change — Comparable (Non-GAAP)	15	10	17	(17)	65	21	14
% Comparable Currency Impact (Non-GAAP)	3	1	0	(1)	12	(2)	1
% Change — Comparable Currency Neutral (Non-GAAP)	12	9	17	(17)	53	23	12

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Operating Margin:

Reported Operating Margin (GAAP)

Items Impacting Comparability (Non-GAAP)	0.47 %	(0.90)%	
Comparable Operating Margin (Non-GAAP)	34.48 %	33.78 %	70
Comparable Currency Impact (Non-GAAP)	(0.23)%	0.00 %	
Comparable Currency Neutral Operating Margin (Non-GAAP)	34.71 %	33.78 %	93
Impact of Acquisitions and Divestitures on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.00 %	(0.24)%	
Underlying Operating Margin (Non-GAAP)	34.71 %	34.02 %	69

Three Months Ended April 3, 2026	Three Months Ended March 28, 2025	Basis Point Growth (Decline)
34.95 %	32.88 %	207
0.47 %	(0.90)%	
34.48 %	33.78 %	70
(0.23)%	0.00 %	
34.71 %	33.78 %	93
0.00 %	(0.24)%	
34.71 %	34.02 %	69

Free Cash Flow (In millions):

Net Cash Provided by (Used in) Operating Activities (GAAP)

Purchases of Property, Plant and Equipment (GAAP)

Free Cash Flow (Non-GAAP)

Three Months Ended April 3, 2026	
\$	2,021
	(266)
\$	1,755

Projected 2026 Free Cash Flow (In billions):

Projected GAAP Net Cash Provided by Operating Activities

Projected GAAP Purchases of Property, Plant and Equipment

Projected Free Cash Flow (Non-GAAP)

Year Ending December 31, 2026	
\$	14.4
	(2.2)
\$	12.2