TASTE THE FEELING

# The Coca-Cola Company

# 3rd Quarter 2016 Earnings Call

October 26, 2016

# Forward-Looking Statements

This presentation may contain statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from The Coca-Cola Company's historical experience and our present expectations or projections. These risks include, but are not limited to, obesity concerns; water scarcity and poor quality; evolving consumer preferences; increased competition and capabilities in the marketplace; product safety and quality concerns; perceived negative health consequences of certain ingredients, such as non-nutritive sweeteners and biotechnology-derived substances, and of other substances present in our beverage products or packaging materials; an inability to be successful in our innovation activities; increased demand for food products and decreased agricultural productivity; changes in the retail landscape or the loss of key retail or foodservice customers; an inability to expand operations in emerging and developing markets; fluctuations in foreign currency exchange rates; interest rate increases; an inability to maintain good relationships with our bottling partners; a deterioration in our bottling partners' financial condition; increases in income tax rates, changes in income tax laws or unfavorable resolution of tax matters; increased or new indirect taxes in the United States or in one or more other major markets; increased cost, disruption of supply or shortage of energy or fuels; increased cost, disruption of supply or shortage of ingredients, other raw materials or packaging materials; changes in laws and regulations relating to beverage containers and packaging; significant additional labeling or warning requirements or limitations on the marketing or sale of our products; an inability to protect our information systems against service interruption, misappropriation of data or breaches of security; unfavorable general economic conditions in the United States; unfavorable economic and political conditions in international markets; litigation or legal proceedings; failure to adequately protect, or disputes relating to, trademarks, formulae and other intellectual property rights; adverse weather conditions; climate change; damage to our brand image and corporate reputation from negative publicity, even if unwarranted, related to product safety or quality, human and workplace rights, obesity or other issues; changes in, or failure to comply with, the laws and regulations applicable to our products or our business operations; changes in accounting standards; an inability to achieve our overall long-term growth objectives; deterioration of global credit market conditions; default by or failure of one or more of our counterparty financial institutions; an inability to timely implement our previously announced actions to reinvigorate growth, or to realize the economic benefits we anticipate from these actions; failure to realize a significant portion of the anticipated benefits of our strategic relationship with Monster Beverage Corporation; an inability to renew collective bargaining agreements on satisfactory terms, or we or our bottling partners experience strikes, work stoppages or labor unrest; future impairment charges; multi-employer plan withdrawal liabilities in the future; an inability to successfully integrate and manage our Company-owned or -controlled bottling operations; an inability to successfully manage our refranchising activities; an inability to successfully manage the possible negative consequences of our productivity initiatives; an inability to attract or retain a highly skilled workforce; global or regional catastrophic events; and other risks discussed in our Company's filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 31, 2015, and our subsequently filed Quarterly Reports on Form 10-Q, which filings are available from the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Coca-Cola Company undertakes no obligation to publicly update or revise any forward-looking statements.

# Reconciliation to U.S. GAAP Financial Information

The following presentation may include certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. A schedule is posted on the Company's website at www.coca-colacompany.com (in the "Investors" section) which reconciles our results as reported under Generally Accepted Accounting Principles and the non-GAAP financial measures included in the following presentation.

# Agenda

Highlights

Operational Review

Financial Review

Q&A

# Delivered Third Quarter Results In Line with Expectations

| | **Q3** |
|---|---|
| **Value Share** | ↑ |
| **Revenue*** | **3%** |
| **Margin**** | **> 50 bps** |

| | **YTD** |
|---|---|
| **Value Share** | ↑ |
| **Core Business***** | |
| *Revenue** | *4%* |
| *Developed Markets* | *2% Volume* |
| *Emerging Markets* | *Taking Action* |
| **Profit****** | **7%** |

*Organic revenue (non-GAAP)
** Comparable currency neutral operating margin expansion (non-GAAP)
*** Represents the combined performance from the Europe, Middle East & Africa; Latin America; North America; Asia Pacific; and Corporate operating segments offset by intersegment eliminations.
****Comparable currency neutral income before taxes (structurally adjusted) (non-GAAP)

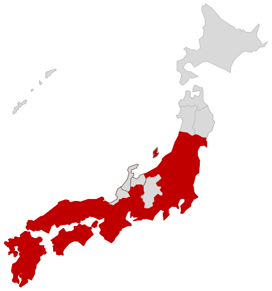
# Strengthening and Evolving Our Global System

*Progress in Q3 2016*

## NORTH AMERICA

- 6 Signed Definitive Agreements
- Closed on 4 Territories
- On Track to Complete by 2017

## ASIA PACIFIC

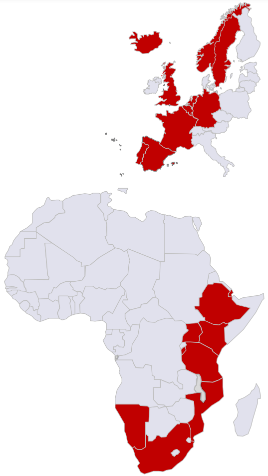


- CCW and CCEJ Signed Definitive Agreement to Merge
- Over 85% of Japan's Volume

## LATIN AMERICA

- Joint Value Creation with Arca Continental
- Vonpar Acquisition by Coca-Cola FEMSA in Brazil

## EUROPE, MIDDLE EAST & AFRICA



- CCEP Closed and Executing
- Exercised CCBA Call Option

# We Are Transforming Our Company


- Implemented revenue growth management strategies
- Reshaping our brand portfolio across sparkling and still beverages
- New marketing campaign for Trademark Coca-Cola
- $3 billion productivity program remains on track
- Re-architecting the bottling system for the future

**Better Positioned to Deliver Our Long-Term Growth Targets**

# Operational Review

# Delivered Third Quarter Results In Line with Expectations

| | Q3 | YTD |
|---|---|---|
| **Unit Case Volume** | **1%** | **1%** |
| **Revenue*** | **3%** | **2%** |
| *Core Business** | *3%* | *4%* |
| *Bottling Investments** | *2%* | *0%* |
| **Profit**** | **2%** | **7%** |

*Organic revenue (non-GAAP)
**Comparable currency neutral income before taxes (structurally adjusted) (non-GAAP)

# Performance in Key Markets

**We continue to push hard where we have momentum, take action where needed, and manage through difficult operating conditions**

**Western Europe**
- Solid Marketing & Innovation
- Increased Alignment with CCEP
- Gaining Volume & Value Share

**Russia**
- Signs of Slight Improvement
- Aided by the Stabilization of Oil Prices

**Japan**
- Strong Marketing & Innovation
- One Brand Strategy
- New Product Launches

**North America**
- Organic Revenue +3%*
- Top-Tier FMCG Growth
- Over 40% of NARTD Retail Sales Growth YTD

**China**
- Strong Olympic Activation
- Good Weather
- Entry-Level Small Packs

**Mexico**
- Strong Marketing & Innovation
- One Brand Strategy
- New Product Launches

**Latin America**
- Focused on Affordability
- Evolving Price/Pack Architecture
- Addressing Raw Material Shortages

*Organic revenue (non-GAAP)

# We Have a Growing and Evolving Brand Portfolio

***With 20 Billion-Dollar Brands, including 14 Still Brands***

## 20 Billion-Dollar Brands

**#1** In Sparkling, Juice & JD, RTD Coffee

**#2** In Energy*, Water, Sports/Water+, RTD Tea



Source: Internal estimates based on 2015 value share
*Energy brands owned by Monster Beverage Corporation, in which we have a minority investment.

# We Are Taking Action to Expand Our Stills Portfolio

***Our system sold 5.8 billion incremental servings of our still brands year-to-date, capturing over 25% of the value growth in stills globally.***

## Japan


## North America


## Europe


## Bolt-on M&A

# In Sparkling, We Are Doing Things Differently

***Outpacing a category that is growing retail value by 3% year-to-date***

**Taste the Feeling**


**More Sugar-Free Options**


**Product Reformulation**


**Small Pack Sizes**

# Financial Performance

# Q3 Financial Highlights

| Key Metrics | Results |
|---|---|
| Top Line | • 3% organic revenue (non-GAAP) growth driven equally by volume and price/mix<br>• Price/mix driven by both rate and mix, partially offset by 1 point of segment mix |
| Gross Margin* | • Expanded ~45 bps<br>    • Positive price/mix, a slightly favorable cost environment and productivity<br>    • ~80 bps currency headwind<br>    • Slight benefit from structural changes |
| Operating Margin* | • Declined ~35 bps<br>    • Timing of expenses<br>    • Structural benefit, offset by ~90 bps currency headwind |

*Comparable (non-GAAP)

# We Generate Strong Cash Flow and Returns to Shareowners

**Cash From Operations**

**$6.7B**

**YTD**

| Dividends Paid* | | Net Share Repurchases** | | Value Returned to Shareowners YTD |
|---|---|---|---|---|
| $4.5B | + | $1.2B | = | $5.7B |

*Includes third quarter dividend paid on October 3rd

**Non-GAAP

# Full Year 2016 Outlook

| | |
|---|---|
| **Top Line** | • 3% organic revenue*growth – **NO CHANGE**<br>• 6 to 7% headwind from acquisitions, divestitures & structural items – **NO CHANGE**<br>• 2 to 3% currency headwind – **NO CHANGE** |
| **Profit** | • 6 to 8% income before tax** growth – **NO CHANGE**<br>• 4% structural headwind – **NO CHANGE**<br>• 8 to 9% currency headwind – **NO CHANGE** |
| **Comparable EPS*** | • 4 to 7% decline – **NO CHANGE** |
| **Net Share Repurchases*** | • $2.0B to $2.5B – **NO CHANGE** |
| **Capital Expenditures** | • Slightly less than $2.5B – **UPDATED FROM $2.5B - $3.0B** |

*Non-GAAP
**Comparable currency neutral (ex-structural) (non-GAAP)

# Fourth Quarter Considerations

**Top Line**

- 2 additional days benefit top line
- 11% headwind from acquisitions, divestitures & structural items
- 1 to 2% currency headwind

**Profit**

- 6 to 7% structural headwind
- 8 to 9% currency headwind

# Q&A