

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

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", "underlying effective tax rate", "free cash flow" and "net share issuances (repurchases)", each of which are 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. 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.
- "Structural changes" generally refer to acquisitions and divestitures of bottling operations including the impact of intercompany transactions among our operating segments. In 2019, the company acquired controlling interests in bottling operations in Zambia, Eswatini and Kenya. The impact of these acquisitions has been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for the Europe, Middle East and Africa and Bottling Investments operating segments. In 2019, the company refranchised certain of its bottling operations in India. The impact of this refranchising activity has been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for the Asia Pacific and Bottling Investments operating segments.
- "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 changes 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, divestitures and structural changes, as applicable, and the impact of changes 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, divestitures and structural changes. The adjustments related to acquisitions, divestitures and structural changes for the three months ended March 27, 2020 and March 29, 2019 consisted of the structural changes discussed above. Additionally, in 2020, the company acquired the remaining equity ownership interest in fairlife, LLC ("fairlife"). The impact on revenues for fairlife products not previously sold by the company has been included in acquisitions and divestitures in our analysis of net operating revenues on a consolidated basis as well as for the North America operating segment.

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In 2019, the company acquired the remaining equity ownership interest in C.H.I. Limited ("CHI"). The impact of this acquisition has been included in acquisitions and divestitures in our analysis of net operating revenues on a consolidated basis as well as for the Europe, Middle East and Africa operating segment.

- "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 changes 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 changes in foreign currency exchange rates, and the impact of acquisitions, divestitures and structural changes, 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" and "comparable currency neutral EPS" 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 also been adjusted for the impact of changes in foreign currency exchange rates. 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) and comparable currency neutral EPS (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.
- "Net share issuances (repurchases)" is a non-GAAP financial measure that reflects the net amount of issuances of stock or purchases of stock for treasury after considering the net change in stock issuance receivables (related to employee stock options exercised but not settled prior to the end of the period) and the net change in treasury stock payables (for treasury shares repurchased but not settled prior to the end of the period).

### 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, charges related to our productivity and reinvestment initiatives, and transaction gains/losses, 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

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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 changes in foreign currency exchange rates had on our financial results ("currency neutral operating results" defined above).

### ***Asset Impairments***

During the three months ended March 27, 2020, the company recorded an impairment charge of \$152 million related to a trademark in North America, which was primarily driven by revised projections of future operating results due to reduced availability at retail customer outlets and a change in brand focus in the company's portfolio. The company also recorded an impairment charge of \$26 million related to an investment in an equity security without a readily determinable fair value, which was primarily driven by revised projections of future operating results.

During the three months ended March 29, 2019, the company recorded an other-than-temporary impairment charge of \$286 million related to Coca-Cola Bottlers Japan Holdings Inc. ("CCBJHI"), an equity method investee. Based on the length of time and the extent to which the market value of our investment in CCBJHI was less than our carrying value and the financial condition and near-term prospects of the issuer, management determined that the decline in fair value was other than temporary in nature. The company also recorded an other-than-temporary impairment charge of \$57 million related to one of our equity method investees in North America. This impairment charge was primarily driven by revised projections of future operating results.

### ***Productivity and Reinvestment***

During the three months ended March 27, 2020 and March 29, 2019, the company recorded charges of \$39 million and \$68 million, respectively, related to our productivity and reinvestment initiatives. The costs incurred in 2019 were related to initiatives focused on four key areas: restructuring the company's global supply chain; implementing zero-based work, an evolution of zero-based budget principles across the organization; streamlining and simplifying the company's operating model; and further driving increased discipline and efficiency in direct marketing investments. Under this operating model, our business units will be supported by an expanded enabling services organization and a corporate center focused on a few strategic initiatives, policy and governance. The expanded enabling services organization will focus on both simplifying and standardizing key transactional processes and providing support to business units through global centers of excellence. The savings realized from the program will enable the company to fund marketing initiatives and innovation required to deliver sustainable net revenue growth. The savings will also support margin expansion and increased returns on invested capital over time. The costs incurred in 2020 were primarily related to certain remaining initiatives designed to further simplify and standardize our enabling services organization.

### ***Equity Investees***

During the three months ended March 27, 2020 and March 29, 2019, the company recorded net charges of \$38 million and \$42 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 March 27, 2020, the company recognized a gain of \$902 million in conjunction with our acquisition of the remaining equity ownership interest in fairlife, which resulted from the remeasurement of our previously held equity interest in fairlife to fair value, and recorded a charge of \$11 million related to the remeasurement of our contingent consideration liability to fair value. The company also recognized a gain of \$23 million related to the sale of a portion of our ownership interest in certain unconsolidated bottling operations.

During the three months ended March 29, 2019, the company recognized a loss of \$121 million in conjunction with our acquisition of the remaining equity ownership interest in CHI, which included the remeasurement of our previously held equity interest in CHI to fair value and the reversal of the related cumulative translation adjustments. The company also incurred transaction costs of \$46 million associated with the purchase of Costa Limited and recorded a gain of \$39 million related to the sale of a portion of our equity ownership interest in Embotelladora Andina S.A.

During the three months ended March 29, 2019, the company recorded a charge of \$11 million, primarily related to costs incurred to rebrand certain of our North America bottling operations. These costs include, among other items, internal and external costs for individuals directly working on the rebranding efforts, severance, special termination benefits, and

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costs associated with the implementation of information technology systems to facilitate consistent data standards and availability throughout our bottling systems. Additionally, the company recorded a charge of \$4 million, primarily related to payments made to certain of our unconsolidated bottling partners in North America in order to convert their bottling agreements to a comprehensive beverage agreement with additional requirements. The company also recorded a net charge of \$4 million related to the refranchising of certain bottling territories in North America.

### ***CCBA Unrecognized Depreciation and Amortization***

While the company had discussions about a sale of a controlling interest in Coca-Cola Beverages Africa Proprietary Limited ("CCBA") with a number of potential partners throughout the period that CCBA was held for sale, during the second quarter of 2019 the company updated its plans for CCBA and now intends to maintain a controlling interest in CCBA for the foreseeable future. As a result, CCBA no longer qualified as held for sale. The amounts in this line item represent the depreciation and amortization that the company would have recorded during the three months ended March 29, 2019 had CCBA not been classified as held for sale.

### ***Other Items***

#### ***Economic (Non-Designated) Hedges***

The company uses derivatives as economic hedges primarily to mitigate the foreign exchange risk for certain currencies and the price risk associated with the purchase of materials used in the manufacturing process 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 into 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 condensed 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 March 27, 2020 and March 29, 2019, the net impact of the company's adjustment related to our economic hedging activities resulted in an increase of \$51 million and a decrease of \$19 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. 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 March 27, 2020 and March 29, 2019, the net impact of the company's adjustment related to unrealized gains and losses on our equity and trading debt securities resulted in an increase of \$371 million and a decrease of \$161 million, respectively, to our non-GAAP income before income taxes.

#### ***Other***

During the three months ended March 29, 2019, the company recorded a charge of \$2 million related to tax litigation expense.

#### ***Certain Tax Matters***

During the three months ended March 27, 2020, the company recorded \$56 million of excess tax benefits associated with the company's stock-based compensation arrangements. The company also recorded \$48 million of net tax benefits for changes to our uncertain tax positions, including interest and penalties, as well as for agreed-upon tax matters. In addition, the company recorded \$38 million of net tax benefits related to changes in tax laws in certain foreign jurisdictions.

During the three months ended March 29, 2019, the company recorded \$27 million of excess tax benefits associated with the company's stock-based compensation arrangements. The excess tax benefits were partially offset by a net tax charge of \$5 million for changes to our uncertain tax positions, including interest and penalties, as well as for agreed-upon tax matters.

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(In millions except per share data)

Three Months Ended March 27, 2020								
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
<b>Reported (GAAP)</b>	\$ 8,601	\$ 3,371	\$ 5,230	60.8%	\$ 2,648	\$ 202	\$ 2,380	27.7%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	(152)	152	
Productivity and Reinvestment	—	—	—		—	(39)	39	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(11)	11	
CCBA Unrecognized Depreciation and Amortization	—	—	—		—	—	—	
Other Items	(28)	(80)	52		—	—	52	
Certain Tax Matters	—	—	—		—	—	—	
<b>Comparable (Non-GAAP)</b>	\$ 8,573	\$ 3,291	\$ 5,282	61.6%	\$ 2,648	\$ —	\$ 2,634	30.7%

Three Months Ended March 29, 2019								
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
<b>Reported (GAAP)</b>	\$ 8,694	\$ 3,365	\$ 5,329	61.3%	\$ 2,767	\$ 127	\$ 2,435	28.0%
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	—	—	
Productivity and Reinvestment	—	—	—		—	(68)	68	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(57)	57	
CCBA Unrecognized Depreciation and Amortization	—	23	(23)		65	—	(88)	
Other Items	4	22	(18)		—	(2)	(16)	
Certain Tax Matters	—	—	—		—	—	—	
<b>Comparable (Non-GAAP)</b>	\$ 8,698	\$ 3,410	\$ 5,288	60.8%	\$ 2,832	\$ —	\$ 2,456	28.2%

	Net operating revenues	Cost of goods sold	Gross profit	Selling, general and administrative expenses	Other operating charges	Operating income
<b>% Change — Reported (GAAP)</b>	(1)	0	(2)	(4)	59	(2)
% Currency Impact	(2)	(1)	(2)	(1)	—	(3)
% Change — Currency Neutral (Non-GAAP)	1	1	0	(3)	—	1
<b>% Change — Comparable (Non-GAAP)</b>	(1)	(4)	0	(7)	—	7
% Comparable Currency Impact (Non-GAAP)	(2)	(1)	(3)	(1)	—	(4)
% Change — Comparable Currency Neutral (Non-GAAP)	1	(3)	3	(5)	—	11

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 except per share data)

Three Months Ended March 27, 2020								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes <sup>1</sup>	Effective tax rate	Net income <sup>2</sup>	Diluted net income per share
<b>Reported (GAAP)</b>	<b>\$ 193</b>	<b>\$ 167</b>	<b>\$ 544</b>	<b>\$ 3,010</b>	<b>\$ 215</b>	<b>7.2%</b>	<b>\$ 2,775</b>	<b>\$ 0.64</b>
Items Impacting Comparability:								
Asset Impairments	—	—	26	178	43		135	0.03
Productivity and Reinvestment	—	—	—	39	9		30	0.01
Equity Investees	—	38	—	38	1		37	0.01
Transaction Gains/Losses	—	—	(925)	(914)	35		(949)	(0.22)
CCBA Unrecognized Depreciation and Amortization	—	—	—	—	—		—	—
Other Items	—	—	370	422	95		327	0.08
Certain Tax Matters	—	—	—	—	142		(142)	(0.03)
<b>Comparable (Non-GAAP)</b>	<b>\$ 193</b>	<b>\$ 205</b>	<b>\$ 15</b>	<b>\$ 2,773</b>	<b>\$ 540</b>	<b>19.5%</b>	<b>\$ 2,213</b>	<b>\$ 0.51</b>

Three Months Ended March 29, 2019								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes <sup>1</sup>	Effective tax rate	Net income <sup>2</sup>	Diluted net income per share
<b>Reported (GAAP)</b>	<b>\$ 245</b>	<b>\$ 133</b>	<b>\$ (231)</b>	<b>\$ 2,225</b>	<b>\$ 522</b>	<b>23.5%</b>	<b>\$ 1,678</b>	<b>\$ 0.39</b>
Items Impacting Comparability:								
Asset Impairments	—	—	343	343	36		307	0.07
Productivity and Reinvestment	—	—	—	68	16		52	0.01
Equity Investees	—	42	—	42	1		41	0.01
Transaction Gains/Losses	—	—	90	147	(23)		170	0.04
CCBA Unrecognized Depreciation and Amortization	—	—	—	(88)	(25)		(40)	(0.01)
Other Items	—	—	(162)	(178)	(40)		(138)	(0.03)
Certain Tax Matters	—	—	—	—	22		(22)	(0.01)
<b>Comparable (Non-GAAP)</b>	<b>\$ 245</b>	<b>\$ 175</b>	<b>\$ 40</b>	<b>\$ 2,559</b>	<b>\$ 509</b>	<b>19.9%</b>	<b>\$ 2,048</b>	<b>\$ 0.48</b>

	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes <sup>1</sup>	Net income <sup>2</sup>	Diluted net income per share
<b>% Change — Reported (GAAP)</b>	<b>(21)</b>	<b>26</b>	<b>—</b>	<b>35</b>	<b>(59)</b>	<b>65</b>	<b>65</b>
<b>% Change — Comparable (Non-GAAP)</b>	<b>(21)</b>	<b>17</b>	<b>(63)</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>8</b>

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

<sup>1</sup> 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 previously discussed.

<sup>2</sup> Represents net income attributable to shareowners of The Coca-Cola Company.

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**Diluted Net Income Per Share:**

	<b>Three Months Ended March 27, 2020</b>
<b>% Change — Reported (GAAP)</b>	<b>65</b>
% Currency Impact	(2)
% Change — Currency Neutral (Non-GAAP)	66
% Impact of Items Impacting Comparability (Non-GAAP)	57
% Change — Comparable (Non-GAAP)	8
% Comparable Currency Impact (Non-GAAP)	(2)
% Change — Comparable Currency Neutral (Non-GAAP)	10

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 March 27, 2020								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>		\$ 1,725	\$ 930	\$ 2,850	\$ 1,128	\$ 573	\$ 1,658	\$ 31	\$ (294)	\$ 8,601
Items Impacting Comparability:										
	Other Items	—	—	—	—	—	—	(28)	—	(28)
	Comparable (Non-GAAP)	\$ 1,725	\$ 930	\$ 2,850	\$ 1,128	\$ 573	\$ 1,658	\$ 3	\$ (294)	\$ 8,573

		Three Months Ended March 29, 2019								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>		\$ 1,772	\$ 896	\$ 2,683	\$ 1,187	\$ 585	\$ 1,810	\$ 32	\$ (271)	\$ 8,694
Items Impacting Comparability:										
	Other Items	—	—	—	—	—	—	4	—	4
	Comparable (Non-GAAP)	\$ 1,772	\$ 896	\$ 2,683	\$ 1,187	\$ 585	\$ 1,810	\$ 36	\$ (271)	\$ 8,698

		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>% Change — Reported (GAAP)</b>		(3)	4	6	(5)	(2)	(8)	(2)	(9)	(1)
	% Currency Impact	(3)	(10)	0	(1)	0	(1)	66	—	(2)
	% Change — Currency Neutral (Non-GAAP)	0	13	6	(4)	(2)	(7)	(67)	—	1
	% Acquisitions, Divestitures and Structural Changes	1	0	2	2	0	(1)	0	—	1
	% Change — Organic Revenues (Non-GAAP)	(1)	13	4	(7)	(2)	(6)	(67)	—	0
<b>% Change — Comparable (Non-GAAP)</b>		(3)	4	6	(5)	(2)	(8)	(92)	—	(1)
	% Comparable Currency Impact (Non-GAAP)	(3)	(10)	0	(1)	0	(1)	(33)	—	(2)
	% Change — Comparable Currency Neutral (Non-GAAP)	0	13	6	(4)	(2)	(7)	(59)	—	1

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**Operating Income (Loss) by Operating Segment and Corporate:**

Three Months Ended March 27, 2020								
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	\$ 960	\$ 539	\$ 387	\$ 511	\$ 19	\$ 63	\$ (99)	\$ 2,380
Items Impacting Comparability:								
Asset Impairments	—	—	152	—	—	—	—	152
Productivity and Reinvestment	—	—	—	—	—	—	39	39
Transaction Gains/Losses	—	—	—	—	—	—	11	11
CCBA Unrecognized Depreciation and Amortization	—	—	—	—	—	—	—	—
Other Items	—	—	68	—	—	14	(30)	52
Comparable (Non-GAAP)	\$ 960	\$ 539	\$ 607	\$ 511	\$ 19	\$ 77	\$ (79)	\$ 2,634

Three Months Ended March 29, 2019								
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	\$ 978	\$ 496	\$ 586	\$ 542	\$ 66	\$ 100	\$ (333)	\$ 2,435
Items Impacting Comparability:								
Asset Impairments	—	—	—	—	—	—	—	—
Productivity and Reinvestment	1	—	17	—	—	2	48	68
Transaction Gains/Losses	—	—	—	—	—	11	46	57
CCBA Unrecognized Depreciation and Amortization	—	—	—	—	—	(88)	—	(88)
Other Items	—	—	(21)	—	—	(4)	9	(16)
Comparable (Non-GAAP)	\$ 979	\$ 496	\$ 582	\$ 542	\$ 66	\$ 21	\$ (230)	\$ 2,456

	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>% Change — Reported (GAAP)</b>	<b>(2)</b>	<b>9</b>	<b>(34)</b>	<b>(6)</b>	<b>(71)</b>	<b>(37)</b>	<b>70</b>	<b>(2)</b>
% Currency Impact	(3)	(12)	0	(1)	0	10	4	(3)
% Change — Currency Neutral (Non-GAAP)	1	21	(34)	(5)	(71)	(48)	66	1
% Impact of Items Impacting Comparability (Non-GAAP)	0	0	(38)	0	0	(310)	5	(10)
% Change — Comparable (Non-GAAP)	(2)	8	4	(6)	(71)	272	65	7
% Comparable Currency Impact (Non-GAAP)	(3)	(12)	0	(1)	0	49	(8)	(4)
% Change — Comparable Currency Neutral (Non-GAAP)	1	21	4	(5)	(71)	223	73	11

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Operating Margin:

	Three Months Ended March 27, 2020	Three Months Ended March 29, 2019	Basis Point Growth (Decline)
<b>Reported Operating Margin (GAAP)</b>	27.67 %	28.01 %	(34)
Items Impacting Comparability (Non-GAAP)	(3.06)%	(0.23)%	
Comparable Operating Margin (Non-GAAP)	30.73 %	28.24 %	249
Comparable Currency Impact (Non-GAAP)	(0.55)%	0.00 %	
Comparable Currency Neutral Operating Margin (Non-GAAP)	31.28 %	28.24 %	304
Impact of Acquisitions and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.32)%	(0.32)%	
Underlying Operating Margin (Non-GAAP)	31.60 %	28.56 %	304

### Purchases and Issuances of Stock:

	Three Months Ended March 27, 2020	Three Months Ended March 29, 2019
<b>Reported (GAAP):</b>		
<b>Issuances of Stock</b>	\$ 413	\$ 190
<b>Purchases of Stock for Treasury</b>	(94)	(397)
<b>Net Change in Stock Issuance Receivables<sup>1</sup></b>	—	6
<b>Net Change in Treasury Stock Payables<sup>2</sup></b>	—	(42)
Net Share Issuances (Repurchases) (Non-GAAP)	\$ 319	\$ (243)

<sup>1</sup> Represents the net change in receivables related to employee stock options exercised but not settled prior to the end of the period.

<sup>2</sup> Represents the net change in payables for treasury shares repurchased but not settled prior to the end of the period.

### Free Cash Flow:

	Three Months Ended March 27, 2020	Three Months Ended March 29, 2019	% Change
<b>Net Cash Provided by Operating Activities (GAAP)</b>	\$ 556	\$ 788	(29)
<b>Purchases of Property, Plant and Equipment (GAAP)</b>	(327)	(388)	(16)
Free Cash Flow (Non-GAAP)	\$ 229	\$ 400	(43)

Note: Certain growth rates may not recalculate using the rounded dollar amounts provided.