

THE COCA-COLA COMPANY AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

Bottling Investments Operating Margin:

Reported Operating Margin (GAAP)
Items Impacting Comparability (Non-GAAP)
Comparable Operating Margin (Non-GAAP)

Six Months Ended July 2, 2021	Six Months Ended June 28, 2019	Basis Point Growth
6.41%	5.72%	69
0.63%	2.82%	
5.78%	2.90%	288

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Consolidated Gross Margin:

Reported Gross Margin (GAAP)

Items Impacting Comparability (Non-GAAP)

Comparable Gross Margin (Non-GAAP)

	Three Months Ended July 2, 2021	Three Months Ended June 26, 2020	Basis Point Growth
	62.61%	57.86%	475
	1.17%	0.21%	
	61.44%	57.65%	379

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(In millions except net debt leverage)

Gross Debt and Net Debt:

	As of July 2, 2021
Cash and cash equivalents	\$9,188
Short-term investments	2,079
Marketable securities	1,775
Total cash, cash equivalents, short-term investments and marketable securities (Non-GAAP)	\$13,042
Loans and notes payable	\$1,867
Current maturities of long-term debt	337
Long-term debt	39,804
Gross debt (Non-GAAP)	\$42,008
Net debt (Non-GAAP) ¹	\$28,966

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

EBITDA:

	July 2, 2021 Trailing Twelve Months
Income before income taxes	\$10,923
<u>Less income items:</u>	
Interest income	295
Other income (loss) — net	1,130
<u>Add expense items:</u>	
Interest expense	2,192
Depreciation and amortization	1,537
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$13,227

Comparable EBITDA:

Comparable income before income taxes (Non-GAAP)	\$12,075
<u>Less income items:</u>	
Interest income	295
Comparable other income (loss) — net (Non-GAAP)	216
<u>Add expense items:</u>	
Comparable interest expense (Non-GAAP)	875
Depreciation and amortization	1,537
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$13,976

Net Debt Leverage:

	As of July 2, 2021
Net debt (Non-GAAP)	\$28,966
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$13,976
Net debt leverage (Non-GAAP)	2.1

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(In millions)

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Long-term debt	39,804
Gross debt (Non-GAAP)	\$42,008
Net debt (Non-GAAP) ¹	\$28,966

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

EBITDA:

	July 2, 2021 Trailing Twelve Months	Six Months Ended July 2, 2021	Three Months Ended December 31, 2020	Three Months Ended September 25, 2020
Income before income taxes	\$10,923	\$6,381	\$2,361	\$2,181
<u>Less income items:</u>				
Interest income	295	137	76	82
Other income (loss) — net	1,130	1,047	53	30
<u>Add expense items:</u>				
Interest expense	2,192	1,222	310	660
Depreciation and amortization	1,537	749	430 ¹	358 ²
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$13,227	\$7,168	\$2,972	\$3,087

Comparable EBITDA:

Comparable income before income taxes (Non-GAAP)	\$12,075	\$6,583	\$2,528	\$2,964
<u>Less income items:</u>				
Interest income	295	137	76	82
Comparable other income (loss) — net (Non-GAAP)	216	128	38	50
<u>Add expense items:</u>				
Comparable interest expense (Non-GAAP)	875	389	231	255
Depreciation and amortization	1,537	749	430 ¹	358 ²
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$13,976	\$7,456	\$3,075	\$3,445

¹ Calculated by subtracting depreciation and amortization of \$1,106 million during the nine months ended September 25, 2020 from depreciation and amortization of \$1,536 million during the year ended December 31, 2020.

² Calculated by subtracting depreciation and amortization of \$748 million during the six months ended June 26, 2020 from depreciation and amortization of \$1,106 million during the nine months ended September 25, 2020.