

THE COCA-COLA COMPANY AND SUBSIDIARIES

Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

Gross Margin:

	Three Months Ended April 1, 2022	Three Months Ended April 2, 2021	Basis Point Growth (Decline)
Reported Gross Margin (GAAP)	61.01%	61.14%	(13)
Items Impacting Comparability (Non-GAAP)	1.31%	0.57%	
Comparable Gross Margin (Non-GAAP)	59.70%	60.57%	(87)
Comparable Currency Impact (Non-GAAP)	(0.31%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	60.01%	60.57%	(56)
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	(1.07%)	0.00%	
Underlying Gross Margin (Non-GAAP)	61.08%	60.57%	51

Note Regarding Forward-Looking Non-GAAP Financial Measures in the Earnings Call:

The 2022 outlook for net share repurchases is a forward-looking non-GAAP financial measure that reflects the net amount of purchases of stock for treasury after considering proceeds from the issuances of stock, 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). The company is not able to reconcile full year 2022 projected net share repurchases to full year 2022 reported purchases of stock for treasury without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual amount and timing of stock issuance activity that will occur throughout 2022.

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(In millions except net debt leverage)

Gross Debt and Net Debt:

	As of April 1, 2022
Cash and cash equivalents	\$ 7,681
Short-term investments	736
Marketable securities	1,939
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Total cash, cash equivalents, short-term investments and marketable securities (Non-GAAP)	\$ 10,356
Loans and notes payable	\$ 3,610
Current maturities of long-term debt	1,039
Long-term debt	37,052
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Gross debt (Non-GAAP)	\$ 41,701
Net debt (Non-GAAP) ¹	\$ 31,345

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

EBITDA:

	April 1, 2022 Trailing Twelve Months
Income before income taxes	\$ 13,120
<u>Less income items:</u>	
Interest income	288
Other income (loss) — net	1,757
<u>Add expense items:</u>	
Interest expense	1,337
Depreciation and amortization	1,410
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Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$ 13,822

Comparable EBITDA:

Comparable income before income taxes (Non-GAAP)	\$ 12,937
<u>Less income items:</u>	
Interest income	288
Comparable other income (loss) — net (Non-GAAP)	335
<u>Add expense items:</u>	
Comparable interest expense (Non-GAAP)	769
Depreciation and amortization	1,410
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Comparable EBITDA (Non-GAAP)	\$ 14,493

Net Debt Leverage:

	As of April 1, 2022
Net debt (Non-GAAP)	\$ 31,345
Comparable EBITDA (Non-GAAP)	\$ 14,493
Net debt leverage (Non-GAAP)	2.2x

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Loans and notes payable	\$ 3,610
Current maturities of long-term debt	1,039
Long-term debt	37,052
Gross debt (Non-GAAP)	\$ 41,701
Net debt (Non-GAAP) ¹	\$ 31,345

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

EBITDA:

	April 1, 2022 Trailing Twelve Months	Three Months Ended April 1, 2022	Three Months Ended December 31, 2021	Three Months Ended October 1, 2021	Three Months Ended July 2, 2021
Income before income taxes	\$ 13,120	\$ 3,458	\$ 2,960	\$ 3,084	\$ 3,618
<u>Less income items:</u>					
Interest income	288	78	71	68	71
Other income (loss) — net	1,757	(105)	1,080	(127)	909
<u>Add expense items:</u>					
Interest expense	1,337	182	165	210	780
Depreciation and amortization	1,410	324	341 ²	362 ³	383 ⁴
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$ 13,822	\$ 3,991	\$ 2,315	\$ 3,715	\$ 3,801
Comparable EBITDA:					
Comparable income before income taxes (Non-GAAP)	\$ 12,937	\$ 3,487	\$ 2,420	\$ 3,424	\$ 3,606
<u>Less income items:</u>					
Interest income	288	78	71	68	71
Comparable other income (loss) — net (Non-GAAP)	335	38	118	121	58
<u>Add expense items:</u>					
Comparable interest expense (Non-GAAP)	769	188	171	216	194
Depreciation and amortization	1,410	324	341 ²	362 ³	383 ⁴
Comparable EBITDA (Non-GAAP)	\$ 14,493	\$ 3,883	\$ 2,743	\$ 3,813	\$ 4,054

² Calculated by subtracting depreciation and amortization of \$1,111 million during the nine months ended October 1, 2021 from depreciation and amortization of \$1,452 million during the year ended December 31, 2021.

³ Calculated by subtracting depreciation and amortization of \$749 million during the six months ended July 2, 2021 from depreciation and amortization of \$1,111 million during the nine months ended October 1, 2021.

⁴ Calculated by subtracting depreciation and amortization of \$366 million during the three months ended April 2, 2021 from depreciation and amortization of \$749 million during the six months ended July 2, 2021.