



# Q2 2022 MARGIN ANALYSIS

July 26, 2022

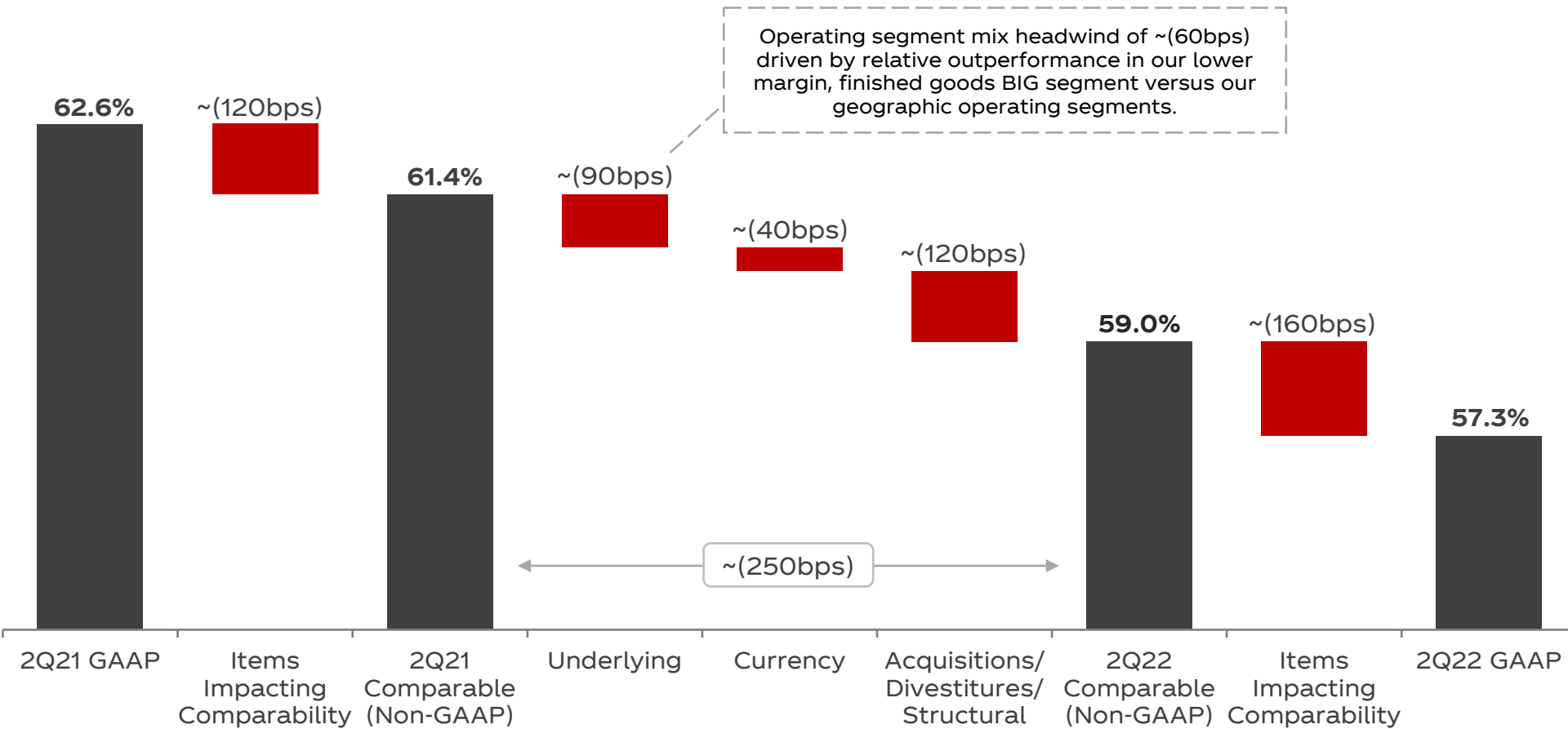
## RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. A schedule which reconciles our results as reported under Generally Accepted Accounting Principles and the non-GAAP financial measures included in the following presentation is attached as an appendix hereto.



# Q2 2022 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



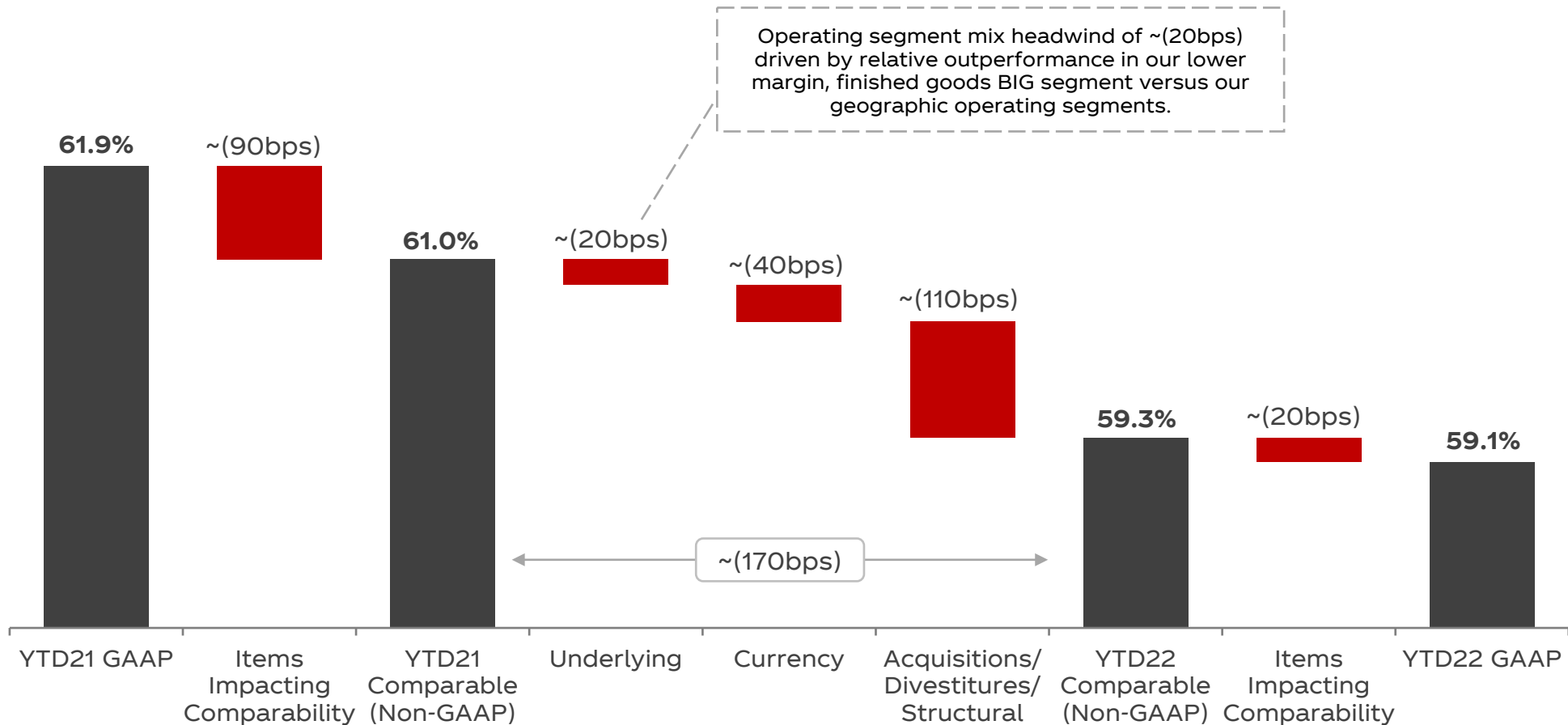
## KEY TAKEAWAYS

- Items impacting comparability in the current year primarily relate to economic hedging activities.
- Underlying gross margin contracted by ~90 bps, driven by negative segment mix and higher incremental input costs, partially offset by pricing initiatives and favorable channel and package mix.
- The acquisition headwind was due to the acquisition of the finished goods BodyArmor business.



# YTD 2022 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



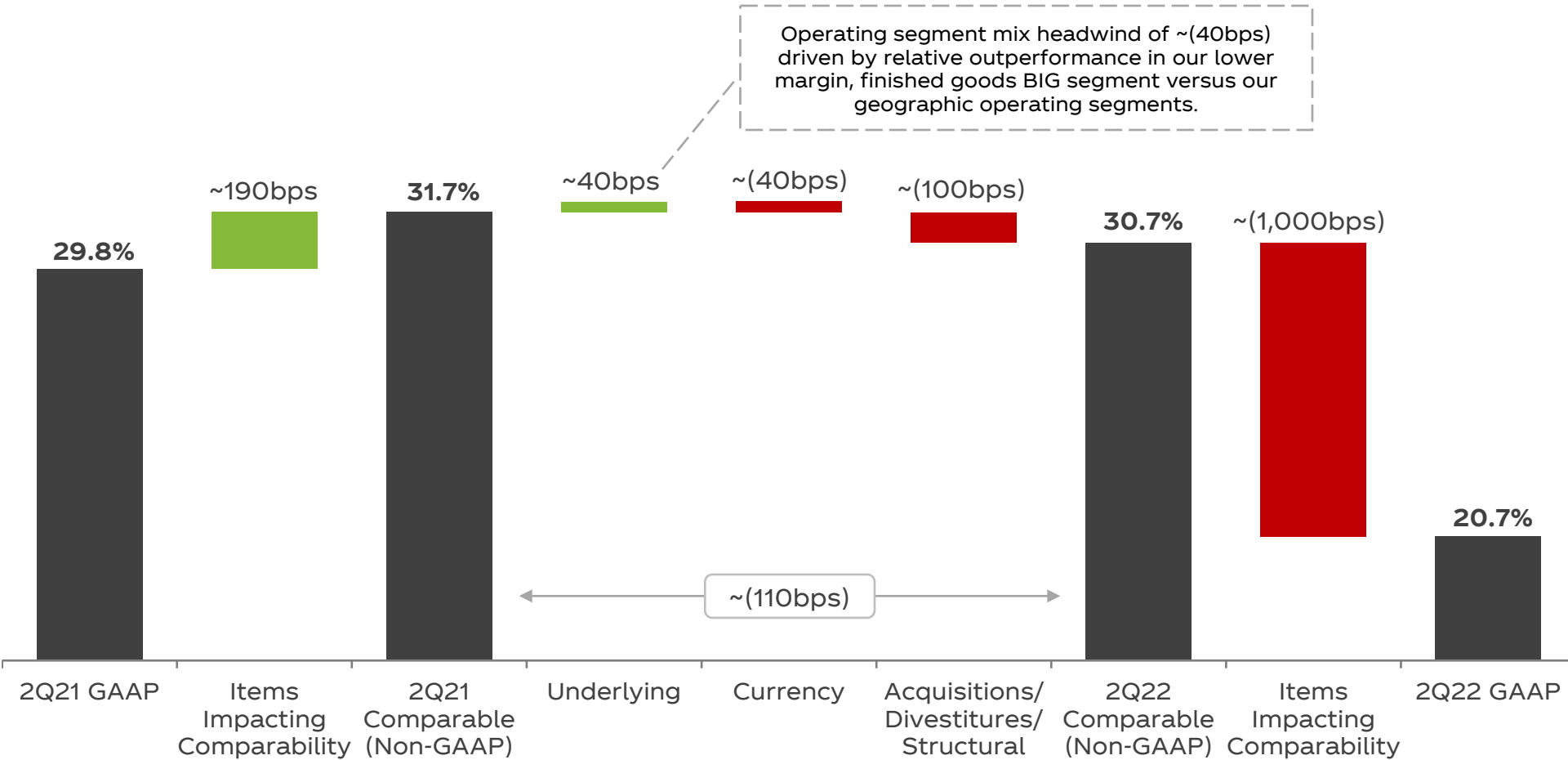
## KEY TAKEAWAYS

- Items impacting comparability in the current year primarily relate to economic hedging activities.
- Underlying gross margin contracted by ~20 bps, driven by negative segment mix and higher incremental input costs, partially offset by pricing initiatives and favorable channel and package mix.
- The acquisition headwind was due to the acquisition of the finished goods BodyArmor business.



# Q2 2022 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



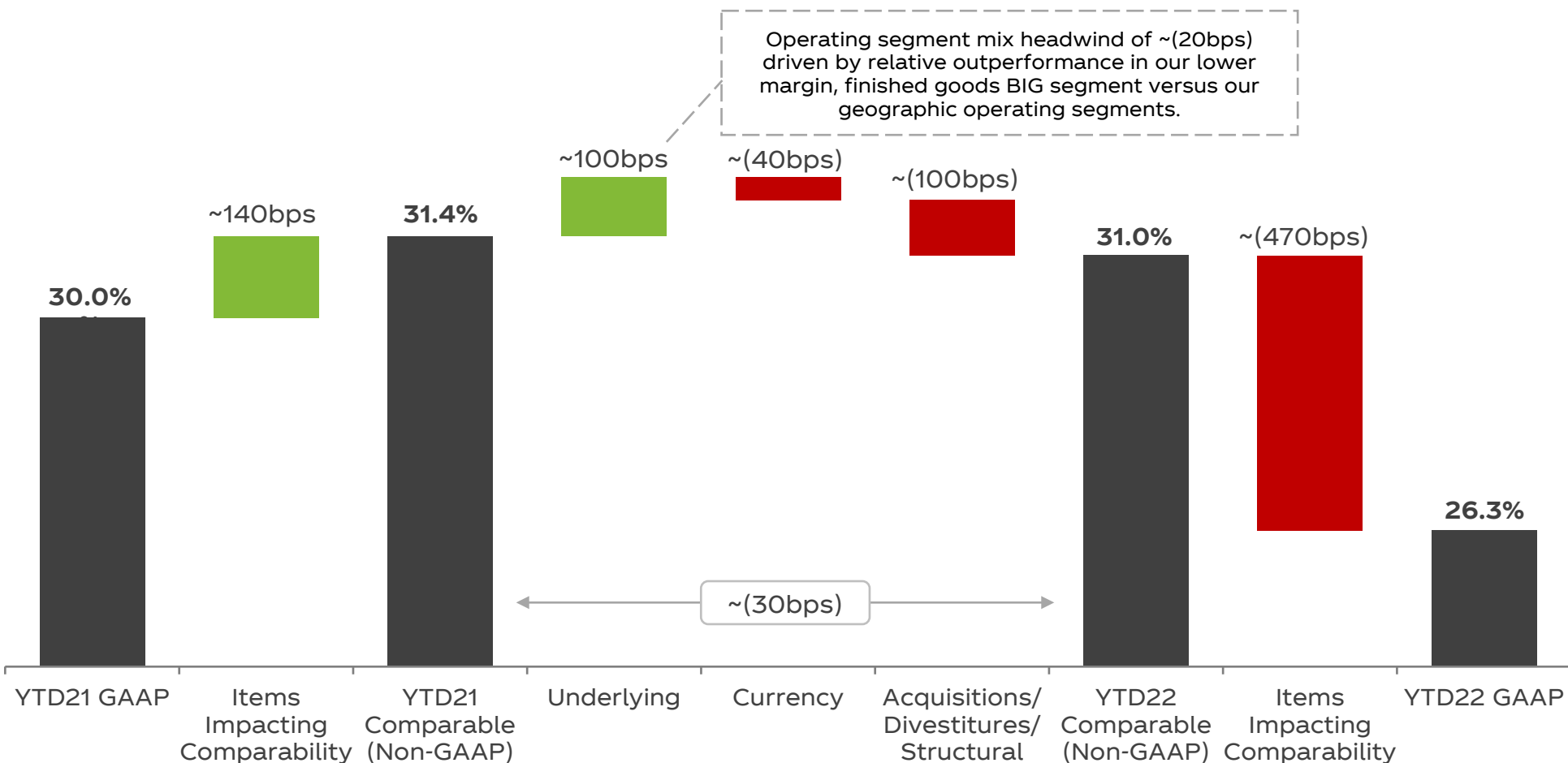
## KEY TAKEAWAYS

- Items impacting comparability in the current year primarily relate to transaction gains & losses and economic hedging activities.
- Underlying operating margin expanded by ~40 bps, primarily driven by strong topline growth, partially offset by an increase in marketing investments and operating costs versus the prior year.
- The acquisition headwind was due to the acquisition of the finished goods BodyArmor business.



# YTD 2022 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



## KEY TAKEAWAYS

- Items impacting comparability in the current year primarily relate to transaction gains & losses and economic hedging activities.
- Underlying operating margin expanded by ~100 bps, primarily driven by strong topline growth, partially offset by an increase in marketing investments and operating costs versus the prior year.
- The acquisition headwind was due to the acquisition of the finished goods BodyArmor business.



# APPENDIX

RECONCILIATIONS OF GAAP AND NON-GAAP FINANCIAL MEASURES

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

### Gross Margin:

#### **Reported Gross Margin (GAAP)**

Items Impacting Comparability (Non-GAAP)  
 Comparable Gross Margin (Non-GAAP)  
 Comparable Currency Impact (Non-GAAP)  
 Comparable Currency Neutral Gross Margin (Non-GAAP)  
 Impact of Acquisitions, Divestitures and Structural Changes on  
 Comparable Currency Neutral Gross Margin (Non-GAAP)  
 Underlying Gross Margin (Non-GAAP)

Three Months Ended July 1, 2022	Three Months Ended July 2, 2021	Basis Point Growth (Decline)
57.34%	62.61%	(527)
(1.65%)	1.17%	
58.99%	61.44%	(245)
(0.39%)	0.00%	
59.38%	61.44%	(206)
(1.15%)	0.00%	
60.53%	61.44%	(91)

#### **Reported Gross Margin (GAAP)**

Items Impacting Comparability (Non-GAAP)  
 Comparable Gross Margin (Non-GAAP)  
 Comparable Currency Impact (Non-GAAP)  
 Comparable Currency Neutral Gross Margin (Non-GAAP)  
 Impact of Acquisitions, Divestitures and Structural Changes on  
 Comparable Currency Neutral Gross Margin (Non-GAAP)  
 Underlying Gross Margin (Non-GAAP)

Six Months Ended July 1, 2022	Six Months Ended July 2, 2021	Basis Point Growth (Decline)
59.11%	61.92%	(281)
(0.22%)	0.89%	
59.33%	61.03%	(170)
(0.35%)	0.00%	
59.68%	61.03%	(135)
(1.11%)	0.00%	
60.79%	61.03%	(24)

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

### Operating Margin:

#### **Reported Operating Margin (GAAP)**

Items Impacting Comparability (Non-GAAP)	(9.98%)	(1.93%)	
Comparable Operating Margin (Non-GAAP)	30.66%	31.71%	(105)
Comparable Currency Impact (Non-GAAP)	(0.37%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	31.03%	31.71%	(68)
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(1.00%)	0.04%	
Underlying Operating Margin (Non-GAAP)	32.03%	31.67%	36

Three Months Ended July 1, 2022	Three Months Ended July 2, 2021	Basis Point Growth (Decline)
20.68%	29.78%	(910)
(9.98%)	(1.93%)	
30.66%	31.71%	(105)
(0.37%)	0.00%	
31.03%	31.71%	(68)
(1.00%)	0.04%	
32.03%	31.67%	36

#### **Reported Operating Margin (GAAP)**

Items Impacting Comparability (Non-GAAP)	(4.70%)	(1.39%)	
Comparable Operating Margin (Non-GAAP)	31.04%	31.36%	(32)
Comparable Currency Impact (Non-GAAP)	(0.38%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	31.42%	31.36%	6
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.92%)	0.03%	
Underlying Operating Margin (Non-GAAP)	32.34%	31.33%	101

Six Months Ended July 1, 2022	Six Months Ended July 2, 2021	Basis Point Growth (Decline)
26.34%	29.97%	(363)
(4.70%)	(1.39%)	
31.04%	31.36%	(32)
(0.38%)	0.00%	
31.42%	31.36%	6
(0.92%)	0.03%	
32.34%	31.33%	101