



# Q3 2022 MARGIN ANALYSIS

October 25, 2022

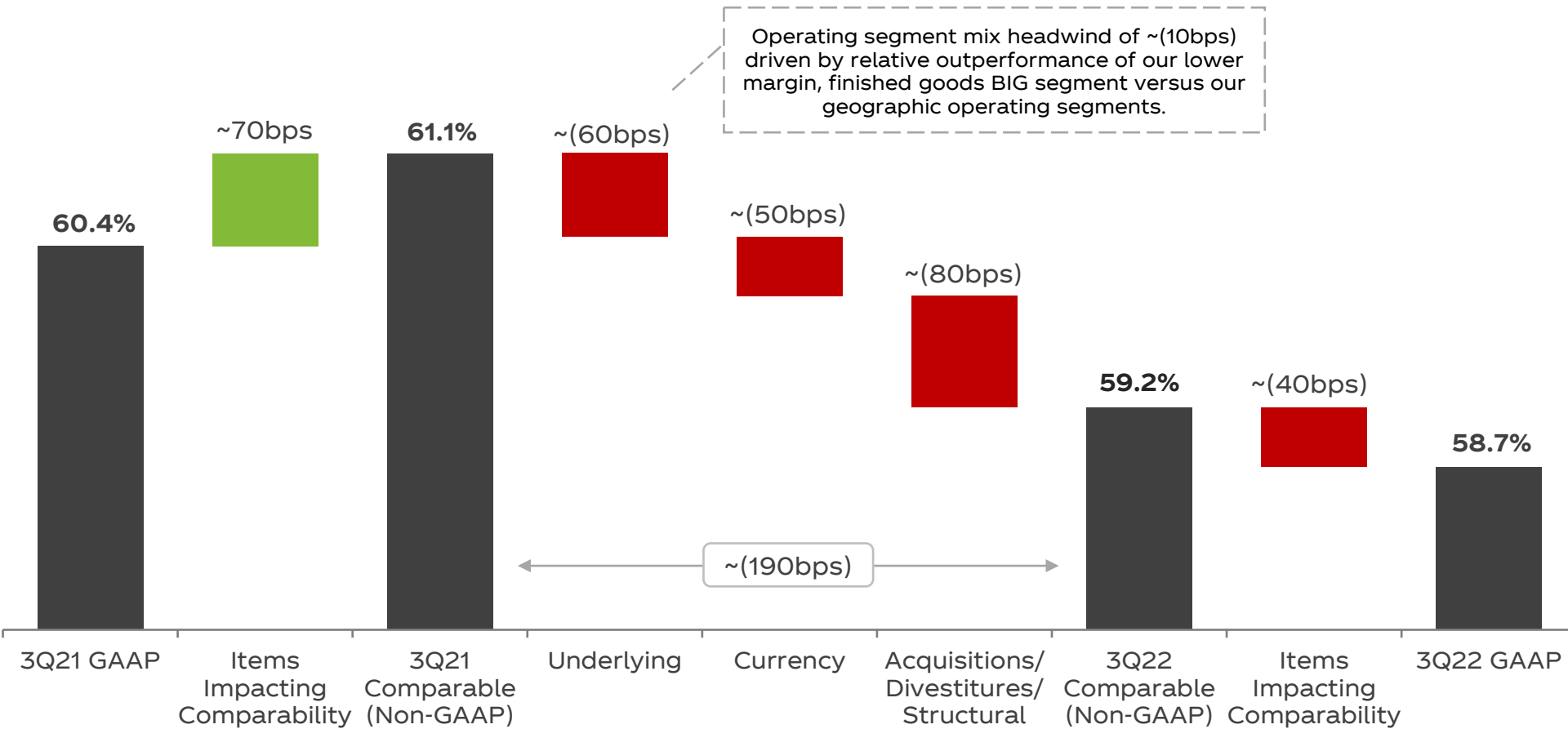
## RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

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.



# Q3 2022 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



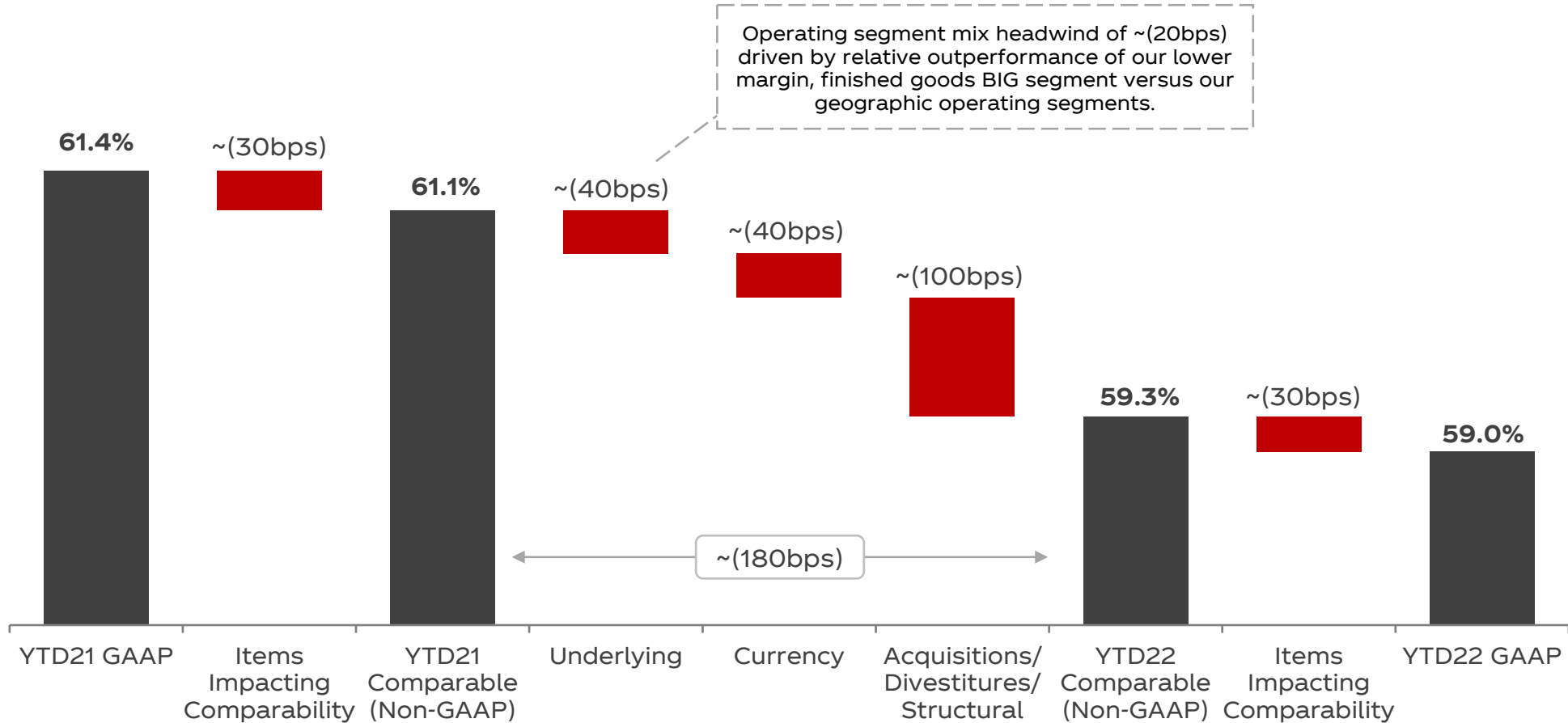
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin contracted by ~60 bps, driven by higher incremental input costs and negative segment mix, partially offset by pricing initiatives and favorable channel and package mix.
- The acquisition headwind was primarily due to the acquisition of the finished goods BodyArmor business.

Note: Numbers may not add due to rounding.

# YTD 2022 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



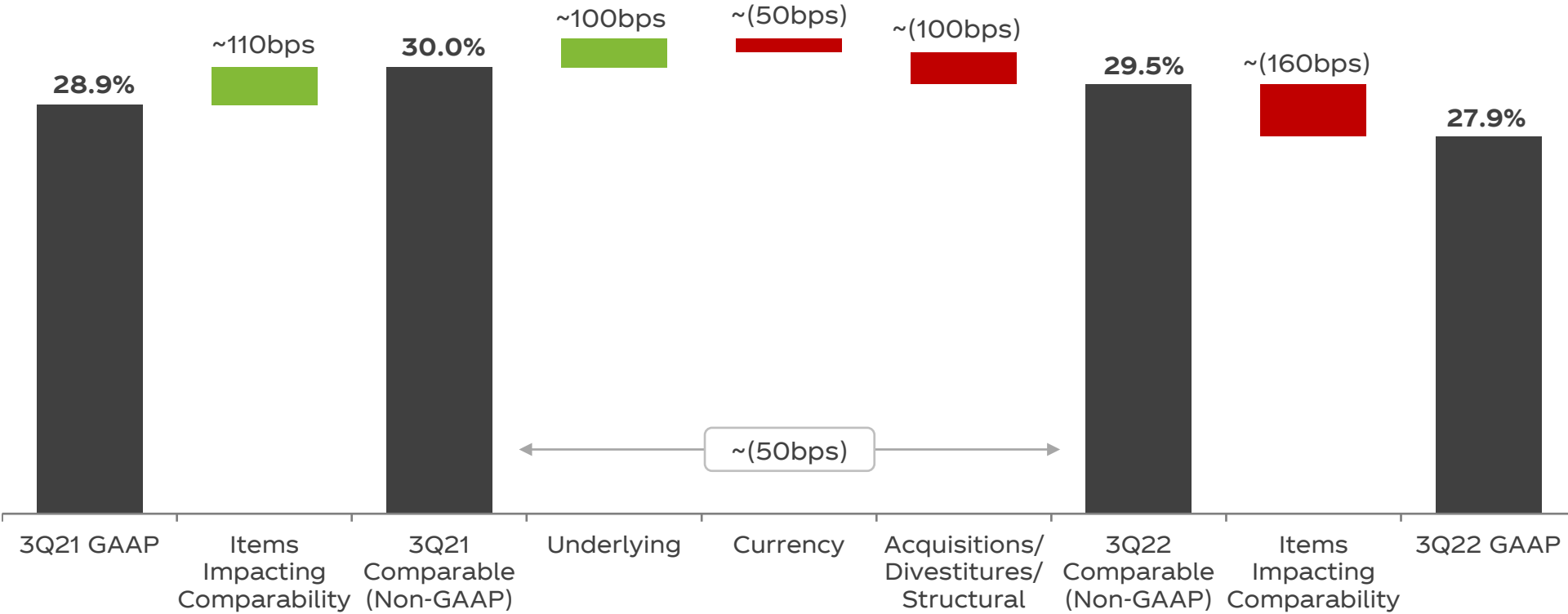
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin contracted by ~40 bps, driven by higher incremental input costs and negative segment mix, partially offset by pricing initiatives and favorable channel and package mix.
- The acquisition headwind was primarily due to the acquisition of the finished goods BodyArmor business.



# Q3 2022 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



### KEY TAKEAWAYS

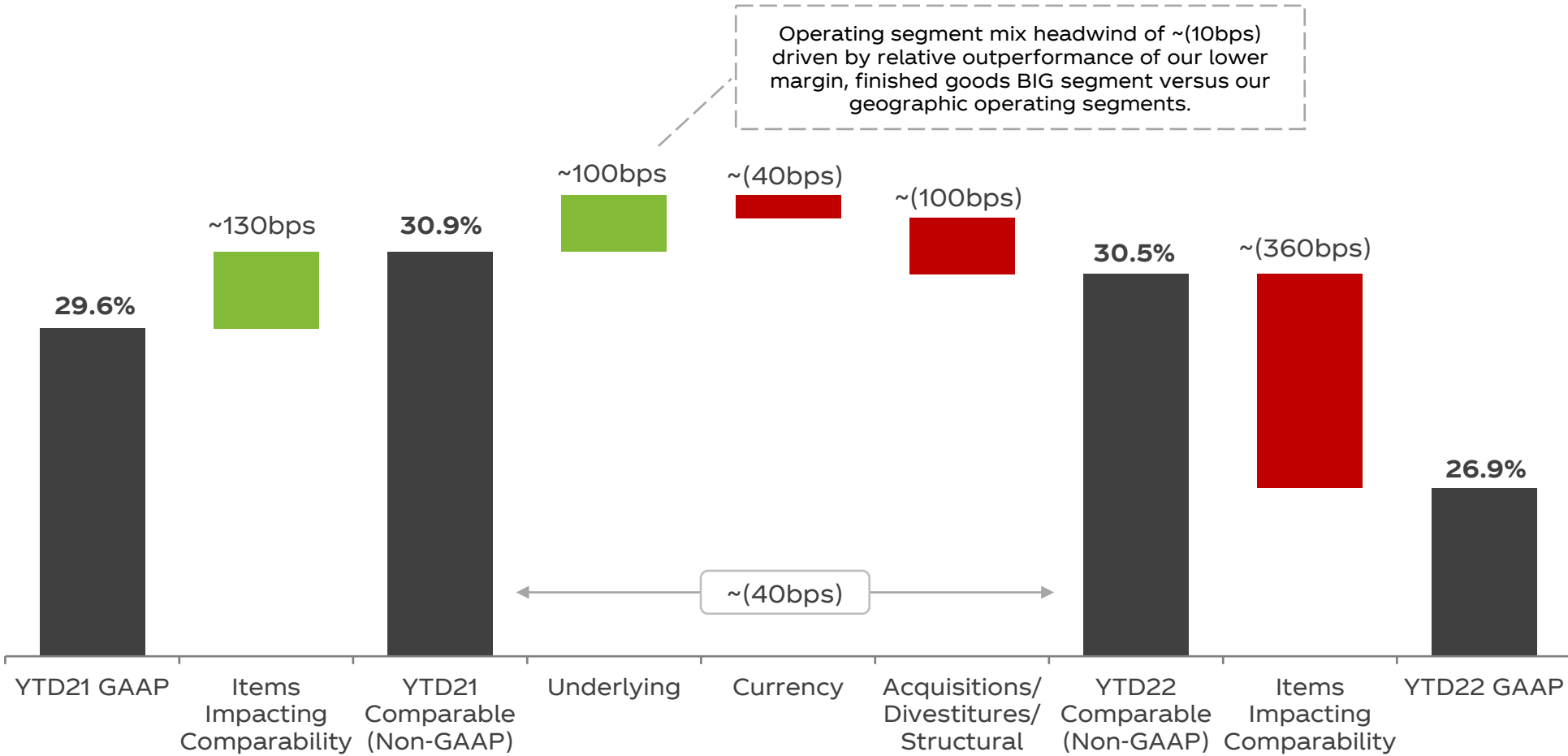
- Items impacting comparability primarily relate to transaction gains & losses, asset impairment and economic hedging activities.
- Underlying operating margin expanded by ~100 bps, primarily driven by strong topline growth, partially offset by an increase in marketing investments and operating costs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

Note: Numbers may not add due to rounding.



# YTD 2022 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to transaction gains & losses, asset impairment 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 primarily 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 September 30, 2022	Three Months Ended October 1, 2021	Basis Point Growth (Decline)
58.73%	60.39%	(166)
(0.44%)	(0.70%)	
59.17%	61.09%	(192)
(0.51%)	0.00%	
59.68%	61.09%	(141)
(0.81%)	0.04%	
60.49%	61.05%	(56)

#### **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)

Nine Months Ended September 30, 2022	Nine Months Ended October 1, 2021	Basis Point Growth (Decline)
58.98%	61.39%	(241)
(0.30%)	0.34%	
59.28%	61.05%	(177)
(0.40%)	0.00%	
59.68%	61.05%	(137)
(1.01%)	0.01%	
60.69%	61.04%	(35)

# 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)	(1.58%)	(1.15%)	(94)
Comparable Operating Margin (Non-GAAP)	29.49%	30.00%	(51)
Comparable Currency Impact (Non-GAAP)	(0.53%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	30.02%	30.00%	2
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.88%)	0.08%	
Underlying Operating Margin (Non-GAAP)	30.90%	29.92%	98

Three Months Ended September 30, 2022	Three Months Ended October 1, 2021	Basis Point Growth (Decline)
27.91%	28.85%	(94)
(1.58%)	(1.15%)	
29.49%	30.00%	(51)
(0.53%)	0.00%	
30.02%	30.00%	2
(0.88%)	0.08%	
30.90%	29.92%	98

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

Items Impacting Comparability (Non-GAAP)	(3.65%)	(1.31%)	(271)
Comparable Operating Margin (Non-GAAP)	30.52%	30.89%	(37)
Comparable Currency Impact (Non-GAAP)	(0.42%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	30.94%	30.89%	5
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.91%)	0.04%	
Underlying Operating Margin (Non-GAAP)	31.85%	30.85%	100

Nine Months Ended September 30, 2022	Nine Months Ended October 1, 2021	Basis Point Growth (Decline)
26.87%	29.58%	(271)
(3.65%)	(1.31%)	
30.52%	30.89%	(37)
(0.42%)	0.00%	
30.94%	30.89%	5
(0.91%)	0.04%	
31.85%	30.85%	100