

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

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 cost of goods sold,” “comparable operating margin,” “underlying operating margin,” “comparable operating income,” “comparable currency neutral operating income,” “comparable EPS,” “comparable currency neutral EPS,” “underlying effective tax rate” and “free cash flow,” each of which is 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 below. 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 between our operating segments. In August 2022, the company acquired a controlling interest in a bottling operation in Malawi. The impact of this acquisition has been included in acquisitions, divestitures and structural changes in our analysis of net operating revenues on a consolidated basis as well as for the Bottling Investments operating segment.
- “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 fluctuations 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 fluctuations 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 and nine months ended September 30, 2022 included the structural change discussed above. Additionally, in November 2021, the company acquired the remaining ownership interest in BODYARMOR. The impact of acquiring BODYARMOR has been included in acquisitions, divestitures and structural changes in our analysis of net operating revenues on a consolidated basis as well as for the North America operating segment for the three and nine months ended September 30, 2022.

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- “Comparable cost of goods sold” is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below). Management believes comparable cost of goods sold (non-GAAP) provides users with useful supplemental information regarding the company’s ongoing cost of goods sold by improving their ability to compare our period-to-period results.
- “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 fluctuations 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 fluctuations 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 fluctuations 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.

### 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 strategic realignment initiatives, charges related to our productivity and reinvestment initiatives, and transaction gains/losses including associated costs, 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 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 fluctuations in foreign currency exchange rates had on our financial results (“currency neutral operating results” defined above).

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### ***Asset Impairments***

During the three and nine months ended September 30, 2022, the company recorded an impairment charge of \$57 million related to a trademark in Asia Pacific, which was primarily driven by a change in brand strategy resulting in revised projections of future operating results for the trademark.

During the nine months ended September 30, 2022, the company recorded an other-than-temporary impairment charge of \$96 million related to an equity method investee in Russia.

### ***Strategic Realignment***

In August 2020, the company announced strategic steps to transform our organizational structure in an effort to better enable us to capture growth in the fast-changing marketplace. The company has transformed into a networked global organization comprised of operating units, category leads, platform services and the center. The operating units are highly interconnected with more consistency in their structure and a focus on eliminating duplication of resources and scaling new products more quickly. The global marketing category leadership teams primarily focus on innovation as well as marketing efficiency and effectiveness. The center provides strategy, governance and scale for global initiatives. The operating units, global marketing category leadership teams, and the center are supported by platform services, which focuses on providing efficient and scaled global services and capabilities including, but not limited to, governance, transactional work, data management, consumer analytics, digital commerce and social/digital hubs. During the three and nine months ended October 1, 2021, the company recorded net charges of \$25 million and \$230 million, respectively, primarily related to severance costs and pension settlement charges associated with our strategic realignment initiatives.

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

During the three and nine months ended September 30, 2022, the company recorded charges of \$27 million and \$56 million, respectively. During the three and nine months ended October 1, 2021, the company recorded charges of \$31 million and \$71 million, respectively. The costs incurred were primarily related to certain initiatives designed to further simplify and standardize our organization.

### ***Equity Investees***

During the three and nine months ended September 30, 2022, the company recorded net charges of \$14 million and \$44 million, respectively. During the three and nine months ended October 1, 2021, the company recorded a net gain of \$18 million and a net charge of \$5 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 and nine months ended September 30, 2022, the company recorded charges of \$32 million and \$971 million, respectively, related to the remeasurement of our contingent consideration liability to fair value in conjunction with our acquisition of fairlife, LLC ("fairlife") in 2020. Additionally, during the three and nine months ended September 30, 2022, the company recognized gains of \$37 million and \$75 million, respectively, related to the sale of a portion of our ownership interest in an unconsolidated bottling operation.

During the nine months ended September 30, 2022, the company recorded a net loss of \$24 million as a result of one of our equity method investees issuing additional shares of its stock.

During the three and nine months ended October 1, 2021, the company recorded charges of \$12 million and \$263 million, respectively, related to the remeasurement of our contingent consideration liability to fair value in conjunction with our acquisition of fairlife. Additionally, during the three and nine months ended October 1, 2021, the company recognized gains totaling \$76 million related to the sale of a portion of our ownership interest in certain unconsolidated bottling operations.

During the nine months ended October 1, 2021, the company recorded a net gain, including transaction costs, of \$694 million related to the sale of our ownership interest in Coca-Cola Amatil Limited, an equity method investee.

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### **Other Items**

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

The company uses derivatives as economic hedges primarily to mitigate the foreign exchange risk for certain currencies, certain interest rate risk, and the price risk associated with the purchase of materials used in our manufacturing processes 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 in 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 consolidated statement of income. Management believes this adjustment provides meaningful information related to the impact of our economic hedging activities. During the three and nine months ended September 30, 2022, the net impact of the company's adjustment related to our economic hedging activities resulted in increases of \$25 million and \$36 million, respectively, to our non-GAAP income before income taxes.

During the three and nine months ended October 1, 2021, the net impact of the company's adjustment related to our economic hedging activities resulted in increases of \$63 million and \$48 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 and nine months ended September 30, 2022, the net impact of the company's adjustment related to unrealized gains and losses on our equity and trading debt securities resulted in increases of \$78 million and \$501 million, respectively, to our non-GAAP income before income taxes.

During the three and nine months ended October 1, 2021, 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 \$29 million and a decrease of \$277 million, respectively, to our non-GAAP income before income taxes.

#### *Extinguishment of Long-Term Debt*

During the nine months ended October 1, 2021, the company recorded charges of \$650 million related to the extinguishment of long-term debt.

#### *Other*

During the three and nine months ended September 30, 2022, the company recorded net charges of \$8 million and \$31 million, respectively, related to restructuring our manufacturing operations in the United States. Additionally, during the three and nine months ended September 30, 2022, the company recorded net charges of \$15 million and \$23 million, respectively, related to the BODYARMOR acquisition in the prior year, which included various transition and transaction costs, employee retention costs and the amortization of noncompete agreements, net of the reimbursement of distributor termination fees.

During the three and nine months ended October 1, 2021, the company recorded net charges of \$273 million and \$308 million, respectively, related to restructuring our manufacturing operations in the United States. During the three and nine months ended October 1, 2021, the company also recorded charges of \$1 million and \$14 million, respectively, related to tax litigation.

#### **Certain Tax Matters**

During the three and nine months ended September 30, 2022, the company recorded \$4 million and \$70 million, respectively, of excess tax benefits associated with the company's stock-based compensation arrangements. During the three and nine months ended September 30, 2022, the company also recorded a net income tax benefit of \$10 million and net income tax expense of \$13 million, respectively, for changes to our uncertain tax positions, including interest and

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penalties, as well as for various discrete tax items and the company recorded net income tax expense of \$12 million associated with return to provision adjustments.

During the three and nine months ended October 1, 2021, the company recorded \$12 million and \$42 million, respectively, of excess tax benefits associated with the company's stock-based compensation arrangements. Additionally, during the three and nine months ended October 1, 2021, the company recorded net income tax expense of \$84 million and \$121 million, respectively, for changes to our uncertain tax positions, including interest and penalties, as well as for various discrete tax items, including the tax impact of agreed-upon audit issues, and recorded income tax expense of \$3 million and \$23 million, respectively, associated with return to provision adjustments.

During the nine months ended October 1, 2021, the company recorded an income tax benefit of \$28 million related to the reversal of a valuation allowance on an equity method investment. Additionally, during the nine months ended October 1, 2021, the company recorded net income tax expense of \$177 million related to changes in tax laws in certain foreign jurisdictions.

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(In millions except per share data)

Three Months Ended September 30, 2022								
	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>	<b>\$ 11,063</b>	<b>\$ 4,566</b>	<b>\$ 6,497</b>	<b>58.7%</b>	<b>\$ 3,279</b>	<b>\$ 130</b>	<b>\$ 3,088</b>	<b>27.9%</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	(57)	57	
Strategic Realignment	—	—	—		—	—	—	
Productivity and Reinvestment	—	—	—		—	(27)	27	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(32)	32	
Other Items	(16)	(56)	40		—	(14)	54	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	<b>\$ 11,047</b>	<b>\$ 4,510</b>	<b>\$ 6,537</b>	<b>59.2%</b>	<b>\$ 3,279</b>	<b>\$ —</b>	<b>\$ 3,258</b>	<b>29.5%</b>

Three Months Ended October 1, 2021								
	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>	<b>\$ 10,042</b>	<b>\$ 3,977</b>	<b>\$ 6,065</b>	<b>60.4%</b>	<b>\$ 3,122</b>	<b>\$ 45</b>	<b>\$ 2,898</b>	<b>28.9%</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	—	—	
Strategic Realignment	—	—	—		—	(4)	4	
Productivity and Reinvestment	—	—	—		—	(31)	31	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(12)	12	
Other Items	2	(69)	71		—	2	69	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	<b>\$ 10,044</b>	<b>\$ 3,908</b>	<b>\$ 6,136</b>	<b>61.1%</b>	<b>\$ 3,122</b>	<b>\$ —</b>	<b>\$ 3,014</b>	<b>30.0%</b>

	Net operating revenues	Cost of goods sold	Gross profit	Selling, general and administrative expenses	Other operating charges	Operating income
<b>% Change — Reported (GAAP)</b>	<b>10</b>	<b>15</b>	<b>7</b>	<b>5</b>	<b>190</b>	<b>7</b>
% Currency Impact	(8)	(7)	(9)	(8)	—	(10)
% Change — Currency Neutral (Non-GAAP)	18	22	16	13	—	16
<b>% Change — Comparable (Non-GAAP)</b>	<b>10</b>	<b>15</b>	<b>7</b>	<b>5</b>	<b>—</b>	<b>8</b>
% Comparable Currency Impact (Non-GAAP)	(8)	(7)	(9)	(8)	—	(10)
% Change — Comparable Currency Neutral (Non-GAAP)	18	22	15	13	—	18

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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## Reconciliation of GAAP and Non-GAAP Financial Measures

(In millions except per share data)

Three Months Ended September 30, 2022								
	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>3</sup>	Diluted net income per share
<b>Reported (GAAP)</b>	<b>\$ 198</b>	<b>\$ 479</b>	<b>\$ (53)</b>	<b>\$ 3,444</b>	<b>\$ 622</b>	<b>18.1%</b>	<b>\$ 2,825</b>	<b>\$ 0.65</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—	57	—		57	0.01
Strategic Realignment	—	—	—	—	—		—	—
Productivity and Reinvestment	—	—	—	27	7		20	—
Equity Investees	—	14	—	14	1		13	—
Transaction Gains/Losses	—	—	(37)	(5)	—		(5)	—
Other Items	6	—	78	126	27		99	0.02
Certain Tax Matters	—	—	—	—	2		(2)	—
Comparable (Non-GAAP)	<b>\$ 204</b>	<b>\$ 493</b>	<b>\$ (12)</b>	<b>\$ 3,663</b>	<b>\$ 659</b>	<b>18.0%<sup>2</sup></b>	<b>\$ 3,007</b>	<b>\$ 0.69</b>

Three Months Ended October 1, 2021								
	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>3</sup>	Diluted net income per share
<b>Reported (GAAP)</b>	<b>\$ 210</b>	<b>\$ 455</b>	<b>\$ (127)</b>	<b>\$ 3,084</b>	<b>\$ 609</b>	<b>19.7%</b>	<b>\$ 2,471</b>	<b>\$ 0.57</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—	—	—		—	—
Strategic Realignment	—	—	21	25	6		19	—
Productivity and Reinvestment	—	—	—	31	7		24	0.01
Equity Investees	—	(18)	—	(18)	(6)		(12)	—
Transaction Gains/Losses	—	—	(76)	(64)	(30)		(34)	(0.01)
Other Items	6	—	303	366	92		274	0.06
Certain Tax Matters	—	—	—	—	(75)		75	0.02
Comparable (Non-GAAP)	<b>\$ 216</b>	<b>\$ 437</b>	<b>\$ 121</b>	<b>\$ 3,424</b>	<b>\$ 603</b>	<b>17.6%</b>	<b>\$ 2,817</b>	<b>\$ 0.65</b>

	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes <sup>1</sup>	Net income <sup>3</sup>	Diluted net income per share
<b>% Change — Reported (GAAP)</b>	<b>(6)</b>	<b>5</b>	<b>59</b>	<b>12</b>	<b>2</b>	<b>14</b>	<b>14</b>
% Change — Comparable (Non-GAAP)	(6)	13	—	7	9	7	7

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 discussed above.

<sup>2</sup> This does not include the impact of the ongoing tax litigation with the U.S. Internal Revenue Service, if the company were not to prevail.

<sup>3</sup> This represents net income attributable to shareowners of The Coca-Cola Company.

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(In millions except per share data)

Nine Months Ended September 30, 2022								
	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>	<b>\$ 32,879</b>	<b>\$13,487</b>	<b>\$19,392</b>	<b>59.0%</b>	<b>\$ 9,449</b>	<b>\$ 1,109</b>	<b>\$ 8,834</b>	<b>26.9%</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	(57)	57	
Strategic Realignment	—	—	—		—	—	—	
Productivity and Reinvestment	—	—	—		—	(56)	56	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(971)	971	
Other Items	(28)	(110)	82		—	(25)	107	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	<b>\$ 32,851</b>	<b>\$13,377</b>	<b>\$19,474</b>	<b>59.3%</b>	<b>\$ 9,449</b>	<b>\$ —</b>	<b>\$ 10,025</b>	<b>30.5%</b>

Nine Months Ended October 1, 2021								
	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>	<b>\$ 29,191</b>	<b>\$11,269</b>	<b>\$17,922</b>	<b>61.4%</b>	<b>\$ 8,808</b>	<b>\$ 478</b>	<b>\$ 8,636</b>	<b>29.6%</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—		—	—	—	
Strategic Realignment	—	—	—		—	(126)	126	
Productivity and Reinvestment	—	—	—		—	(71)	71	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		(5)	(263)	268	
Other Items	(3)	99	(102)		—	(18)	(84)	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	<b>\$ 29,188</b>	<b>\$11,368</b>	<b>\$17,820</b>	<b>61.1%</b>	<b>\$ 8,803</b>	<b>\$ —</b>	<b>\$ 9,017</b>	<b>30.9%</b>

	Net operating revenues	Cost of goods sold	Gross profit	Selling, general and administrative expenses	Other operating charges	Operating income
<b>% Change — Reported (GAAP)</b>	<b>13</b>	<b>20</b>	<b>8</b>	<b>7</b>	<b>132</b>	<b>2</b>
% Currency Impact	(6)	(5)	(7)	(6)	—	(8)
% Change — Currency Neutral (Non-GAAP)	19	25	15	13	—	10
<b>% Change — Comparable (Non-GAAP)</b>	<b>13</b>	<b>18</b>	<b>9</b>	<b>7</b>	<b>—</b>	<b>11</b>
% Comparable Currency Impact (Non-GAAP)	(6)	(5)	(7)	(6)	—	(8)
% Change — Comparable Currency Neutral (Non-GAAP)	19	23	16	13	—	19

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)

Nine Months Ended September 30, 2022								
	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>3</sup>	Diluted net income per share
<b>Reported (GAAP)</b>	<b>\$ 578</b>	<b>\$ 1,133</b>	<b>\$ (509)</b>	<b>\$ 9,186</b>	<b>\$ 1,671</b>	<b>18.2%</b>	<b>\$ 7,511</b>	<b>\$ 1.73</b>
Items Impacting Comparability:								
Asset Impairments	—	—	96	153	—		153	0.04
Strategic Realignment	—	—	—	—	—		—	—
Productivity and Reinvestment	—	—	—	56	14		42	0.01
Equity Investees	—	44	—	44	2		42	0.01
Transaction Gains/Losses	—	—	(51)	920	218		702	0.16
Other Items	18	—	502	591	130		461	0.11
Certain Tax Matters	—	—	—	—	45		(45)	(0.01)
Comparable (Non-GAAP)	<b>\$ 596</b>	<b>\$ 1,177</b>	<b>\$ 38</b>	<b>\$ 10,950</b>	<b>\$ 2,080</b>	<b>19.0%<sup>2</sup></b>	<b>\$ 8,866</b>	<b>\$ 2.04</b>

Nine Months Ended October 1, 2021								
	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>3</sup>	Diluted net income per share
<b>Reported (GAAP)</b>	<b>\$ 1,432</b>	<b>\$ 1,136</b>	<b>\$ 920</b>	<b>\$ 9,465</b>	<b>\$ 2,111</b>	<b>22.3%</b>	<b>\$ 7,357</b>	<b>\$ 1.70</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—	—	—		—	—
Strategic Realignment	—	—	104	230	50		180	0.04
Productivity and Reinvestment	—	—	—	71	19		52	0.01
Equity Investees	—	5	—	5	(10)		15	—
Transaction Gains/Losses	—	—	(775)	(507)	(185)		(322)	(0.07)
Other Items	(827)	—	—	743	127		616	0.14
Certain Tax Matters	—	—	—	—	(251)		251	0.06
Comparable (Non-GAAP)	<b>\$ 605</b>	<b>\$ 1,141</b>	<b>\$ 249</b>	<b>\$ 10,007</b>	<b>\$ 1,861</b>	<b>18.6%</b>	<b>\$ 8,149</b>	<b>\$ 1.88</b>

	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes <sup>1</sup>	Net income <sup>3</sup>	Diluted net income per share
<b>% Change — Reported (GAAP)</b>	<b>(60)</b>	<b>0</b>	<b>—</b>	<b>(3)</b>	<b>(21)</b>	<b>2</b>	<b>2</b>
% Change — Comparable (Non-GAAP)	(1)	3	(85)	9	12	9	8

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 discussed above.

<sup>2</sup> This does not include the impact of the ongoing tax litigation with the U.S. Internal Revenue Service, if the company were not to prevail.

<sup>3</sup> This represents net income attributable to shareowners of The Coca-Cola Company.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

### Diluted Net Income Per Share:

	<b>Three Months Ended September 30, 2022</b>
<b>% Change — Reported (GAAP)</b>	<b>14</b>
% Currency Impact	(12)
% Change — Currency Neutral (Non-GAAP)	26
% Impact of Items Impacting Comparability (Non-GAAP)	8
% Change — Comparable (Non-GAAP)	7
% Comparable Currency Impact (Non-GAAP)	(11)
% Change — Comparable Currency Neutral (Non-GAAP)	18
	<b>Nine Months Ended September 30, 2022</b>
<b>% Change — Reported (GAAP)</b>	<b>2</b>
% Currency Impact	(10)
% Change — Currency Neutral (Non-GAAP)	12
% Impact of Items Impacting Comparability (Non-GAAP)	(7)
% Change — Comparable (Non-GAAP)	8
% Comparable Currency Impact (Non-GAAP)	(9)
% Change — Comparable Currency Neutral (Non-GAAP)	18

Note: Certain columns may not add due to rounding.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(In millions)

### Net Operating Revenues by Operating Segment and Corporate:

		Three Months Ended September 30, 2022								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>		\$ 1,987	\$ 1,267	\$ 4,201	\$ 1,427	\$ 679	\$ 1,786	\$ 29	\$ (313)	\$ 11,063
Items Impacting Comparability:										
	Other Items	(8)	(1)	—	(7)	—	—	—	—	(16)
	Comparable (Non-GAAP)	\$ 1,979	\$ 1,266	\$ 4,201	\$ 1,420	\$ 679	\$ 1,786	\$ 29	\$ (313)	\$ 11,047

		Three Months Ended October 1, 2021								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>		\$ 1,915	\$ 1,137	\$ 3,479	\$ 1,374	\$ 753	\$ 1,665	\$ 25	\$ (306)	\$ 10,042
Items Impacting Comparability:										
	Other Items	(1)	(1)	—	4	—	—	—	—	2
	Comparable (Non-GAAP)	\$ 1,914	\$ 1,136	\$ 3,479	\$ 1,378	\$ 753	\$ 1,665	\$ 25	\$ (306)	\$ 10,044

		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>% Change — Reported (GAAP)</b>		<b>4</b>	<b>12</b>	<b>21</b>	<b>4</b>	<b>(10)</b>	<b>7</b>	<b>18</b>	<b>(2)</b>	<b>10</b>
	% Currency Impact	(16)	(6)	0	(10)	(15)	(12)	(3)	—	(8)
	% Change — Currency Neutral (Non-GAAP)	20	18	21	14	5	19	20	—	18
	% Acquisitions, Divestitures and Structural Changes	0	0	6	0	0	0	0	—	2
	% Change — Organic Revenues (Non-GAAP)	20	18	14	14	5	19	20	—	16
	% Change — Comparable (Non-GAAP)	3	12	21	3	(10)	7	18	—	10
	% Comparable Currency Impact (Non-GAAP)	(17)	(6)	0	(11)	(15)	(12)	(2)	—	(8)
	% Change — Comparable Currency Neutral (Non-GAAP)	20	18	21	14	5	19	20	—	18

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

(In millions)

### Net Operating Revenues by Operating Segment and Corporate:

		Nine Months Ended September 30, 2022								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>		<b>\$ 6,004</b>	<b>\$ 3,621</b>	<b>\$ 11,821</b>	<b>\$ 4,404</b>	<b>\$ 2,103</b>	<b>\$ 5,909</b>	<b>\$ 77</b>	<b>\$ (1,060)</b>	<b>\$ 32,879</b>
Items Impacting Comparability:										
Other Items		(12)	(7)	—	(9)	—	—	—	—	(28)
Comparable (Non-GAAP)		<b>\$ 5,992</b>	<b>\$ 3,614</b>	<b>\$ 11,821</b>	<b>\$ 4,395</b>	<b>\$ 2,103</b>	<b>\$ 5,909</b>	<b>\$ 77</b>	<b>\$ (1,060)</b>	<b>\$ 32,851</b>

		Nine Months Ended October 1, 2021								
		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>		<b>\$ 5,555</b>	<b>\$ 3,113</b>	<b>\$ 9,797</b>	<b>\$ 4,279</b>	<b>\$ 2,030</b>	<b>\$ 5,299</b>	<b>\$ 59</b>	<b>\$ (941)</b>	<b>\$ 29,191</b>
Items Impacting Comparability:										
Other Items		—	(1)	—	(2)	—	—	—	—	(3)
Comparable (Non-GAAP)		<b>\$ 5,555</b>	<b>\$ 3,112</b>	<b>\$ 9,797</b>	<b>\$ 4,277</b>	<b>\$ 2,030</b>	<b>\$ 5,299</b>	<b>\$ 59</b>	<b>\$ (941)</b>	<b>\$ 29,188</b>

		Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Eliminations	Consolidated
<b>% Change — Reported (GAAP)</b>		<b>8</b>	<b>16</b>	<b>21</b>	<b>3</b>	<b>4</b>	<b>12</b>	<b>32</b>	<b>(13)</b>	<b>13</b>
% Currency Impact		(13)	(4)	0	(8)	(11)	(8)	(2)	—	(6)
% Change — Currency Neutral (Non-GAAP)		21	21	21	11	15	20	34	—	19
% Acquisitions, Divestitures and Structural Changes		0	0	7	0	0	0	0	—	2
% Change — Organic Revenues (Non-GAAP)		21	21	14	11	15	20	34	—	16
<b>% Change — Comparable (Non-GAAP)</b>		<b>8</b>	<b>16</b>	<b>21</b>	<b>3</b>	<b>4</b>	<b>12</b>	<b>32</b>	<b>—</b>	<b>13</b>
% Comparable Currency Impact (Non-GAAP)		(13)	(5)	0	(8)	(11)	(8)	(2)	—	(6)
% Change — Comparable Currency Neutral (Non-GAAP)		21	21	21	11	15	20	34	—	19

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

(In millions)

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

	Three Months Ended September 30, 2022							
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 1,046</b>	<b>\$ 712</b>	<b>\$ 1,082</b>	<b>\$ 589</b>	<b>\$ 67</b>	<b>\$ 46</b>	<b>\$ (454)</b>	<b>\$ 3,088</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—	57	—	—	—	57
Strategic Realignment	—	—	—	—	—	—	—	—
Productivity and Reinvestment	—	—	—	—	—	—	27	27
Transaction Gains/Losses	—	—	—	—	—	—	32	32
Other Items	(8)	(1)	44	(7)	(3)	15	14	54
Comparable (Non-GAAP)	<b>\$ 1,038</b>	<b>\$ 711</b>	<b>\$ 1,126</b>	<b>\$ 639</b>	<b>\$ 64</b>	<b>\$ 61</b>	<b>\$ (381)</b>	<b>\$ 3,258</b>

	Three Months Ended October 1, 2021							
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 1,028</b>	<b>\$ 712</b>	<b>\$ 868</b>	<b>\$ 594</b>	<b>\$ 114</b>	<b>\$ 81</b>	<b>\$ (499)</b>	<b>\$ 2,898</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—	—	—	—	—	—
Strategic Realignment	2	—	1	—	—	—	1	4
Productivity and Reinvestment	—	—	—	—	—	—	31	31
Transaction Gains/Losses	—	—	—	—	—	—	12	12
Other Items	(1)	(1)	71	4	(4)	(1)	1	69
Comparable (Non-GAAP)	<b>\$ 1,029</b>	<b>\$ 711</b>	<b>\$ 940</b>	<b>\$ 598</b>	<b>\$ 110</b>	<b>\$ 80</b>	<b>\$ (454)</b>	<b>\$ 3,014</b>

	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>0</b>	<b>25</b>	<b>(1)</b>	<b>(41)</b>	<b>(43)</b>	<b>9</b>	<b>7</b>
% Currency Impact	(18)	(7)	0	(9)	(6)	(5)	3	(10)
% Change — Currency Neutral (Non-GAAP)	19	7	24	8	(35)	(38)	6	16

% Impact of Items Impacting Comparability (Non-GAAP)	1	0	5	(8)	1	(20)	(7)	(2)
% Change — Comparable (Non-GAAP)	1	0	20	7	(42)	(22)	16	8
% Comparable Currency Impact (Non-GAAP)	(18)	(7)	0	(12)	(5)	(7)	4	(10)
% Change — Comparable Currency Neutral (Non-GAAP)	19	7	20	19	(37)	(16)	13	18

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

(In millions)

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

	Nine Months Ended September 30, 2022							
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 3,344</b>	<b>\$ 2,146</b>	<b>\$ 2,978</b>	<b>\$ 2,006</b>	<b>\$ 162</b>	<b>\$ 352</b>	<b>\$ (2,154)</b>	<b>\$ 8,834</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—	57	—	—	—	57
Strategic Realignment	(1)	—	—	—	—	—	1	—
Productivity and Reinvestment	—	—	—	—	—	—	56	56
Transaction Gains/Losses	—	—	—	—	—	—	971	971
Other Items	(12)	(7)	74	(9)	(11)	29	43	107
Comparable (Non-GAAP)	<b>\$ 3,331</b>	<b>\$ 2,139</b>	<b>\$ 3,052</b>	<b>\$ 2,054</b>	<b>\$ 151</b>	<b>\$ 381</b>	<b>\$ (1,083)</b>	<b>\$ 10,025</b>

	Nine Months Ended October 1, 2021							
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 2,990</b>	<b>\$ 1,942</b>	<b>\$ 2,610</b>	<b>\$ 2,046</b>	<b>\$ 215</b>	<b>\$ 314</b>	<b>\$ (1,481)</b>	<b>\$ 8,636</b>
Items Impacting Comparability:								
Asset Impairments	—	—	—	—	—	—	—	—
Strategic Realignment	63	11	14	13	—	—	25	126
Productivity and Reinvestment	—	—	—	—	—	—	71	71
Transaction Gains/Losses	—	—	—	—	—	—	268	268
Other Items	—	(1)	(67)	(2)	(4)	(24)	14	(84)
Comparable (Non-GAAP)	<b>\$ 3,053</b>	<b>\$ 1,952</b>	<b>\$ 2,557</b>	<b>\$ 2,057</b>	<b>\$ 211</b>	<b>\$ 290</b>	<b>\$ (1,103)</b>	<b>\$ 9,017</b>

	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Global Ventures	Bottling Investments	Corporate	Consolidated
<b>% Change — Reported (GAAP)</b>	<b>12</b>	<b>10</b>	<b>14</b>	<b>(2)</b>	<b>(25)</b>	<b>12</b>	<b>(45)</b>	<b>2</b>
% Currency Impact	(14)	(5)	0	(7)	(4)	(9)	3	(8)
% Change — Currency Neutral (Non-GAAP)	26	15	14	5	(21)	21	(48)	10

% Impact of Items Impacting Comparability (Non-GAAP)	3	1	(5)	(2)	4	(19)	(47)	(9)
% Change — Comparable (Non-GAAP)	9	10	19	0	(29)	31	2	11
% Comparable Currency Impact (Non-GAAP)	(15)	(5)	0	(8)	(3)	(10)	4	(8)
% Change — Comparable Currency Neutral (Non-GAAP)	24	15	19	8	(26)	41	(2)	19

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

### Operating Margin:

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

Items Impacting Comparability (Non-GAAP)	(1.58)%	(1.15)%	
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)%	
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

### Free Cash Flow (In millions):

#### **Net Cash Provided by Operating Activities (GAAP)**

#### **Purchases of Property, Plant and Equipment (GAAP)**

Free Cash Flow (Non-GAAP)

Nine Months Ended September 30, 2022	Nine Months Ended October 1, 2021	\$ Change
\$ 8,068	\$ 9,231	\$ (1,163)
(776)	(728)	(48)
\$ 7,292	\$ 8,503	\$ (1,211)

### Projected 2022 Free Cash Flow (In billions):

#### **Projected GAAP Net Cash Provided by Operating Activities<sup>1</sup>**

#### **Projected GAAP Purchases of Property, Plant and Equipment**

Projected Free Cash Flow (Non-GAAP)

Year Ending December 31, 2022	
\$	12.0
	(1.5)
\$	10.5

<sup>1</sup> This does not include the impact of the ongoing tax litigation with the U.S. Internal Revenue Service, if the company were not to prevail.