

THE COCA-COLA COMPANY AND SUBSIDIARIES

Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

Gross Margin:

	Three Months Ended June 30, 2023	Three Months Ended July 1, 2022	Basis Point Growth
Reported Gross Margin (GAAP)	58.97%	57.34%	163
Items Impacting Comparability (Non-GAAP)	(0.43%)	(1.65%)	
Comparable Gross Margin (Non-GAAP)	59.40%	58.99%	41
Comparable Currency Impact (Non-GAAP)	(0.30%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	59.70%	58.99%	71
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.00%	(0.13%)	
Underlying Gross Margin (Non-GAAP)	59.70%	59.12%	58

The earnings conference call on July 26, 2023 included a reference to full year 2023 adjusted free cash flow conversion ratio, a non-GAAP financial measure, which is calculated by dividing adjusted free cash flow (non-GAAP) by adjusted net income attributable to shareowners (non-GAAP). The company is not able to reconcile full year 2023 adjusted free cash flow conversion ratio (non-GAAP) to the ratio of full year 2023 net cash provided by operating activities to full year 2023 net income attributable to shareowners without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the exact timing and amount of items impacting comparability throughout 2023. The unavailable information could have a significant impact on the company's full year 2023 reported financial results.

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(In millions except net debt leverage)

Gross Debt and Net Debt:

	As of June 30, 2023
Cash and cash equivalents	\$ 12,564
Short-term investments	1,867
Marketable securities	1,263
Total cash, cash equivalents, short-term investments and marketable securities (Non-GAAP)	\$ 15,694
Loans and notes payable	\$ 4,828
Current maturities of long-term debt	1,171
Long-term debt	35,626
Gross debt (Non-GAAP)	\$ 41,625
Net debt (Non-GAAP) ¹	\$ 25,931

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

EBITDA:

	June 30, 2023 Trailing Twelve Months
Income before income taxes	\$ 12,877
<u>Less income items:</u>	
Interest income	663
Other income (loss) — net	900
<u>Add expense items:</u>	
Interest expense	1,248
Depreciation and amortization	1,181
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$ 13,743
Items impacting comparability	2,003
Comparable EBITDA (Non-GAAP)	\$ 15,746

Net Debt Leverage:

	As of June 30, 2023
Net debt (Non-GAAP)	\$ 25,931
Comparable EBITDA (Non-GAAP)	\$ 15,746
Net debt leverage (Non-GAAP)	1.6x

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EBITDA:

	June 30, 2023 Trailing Twelve Months	Six Months Ended June 30, 2023	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022
Income before income taxes	\$ 12,877	\$ 6,933	\$ 2,500	\$ 3,444
<u>Less income items:</u>				
Interest income	663	392	143	128
Other income (loss) — net	900	706	247	(53)
<u>Add expense items:</u>				
Interest expense	1,248	746	304	198
Depreciation and amortization	1,181	567	307 ²	307 ³
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$ 13,743	\$ 7,148	\$ 2,721	\$ 3,874

Comparable EBITDA:

Comparable income before income taxes (Non-GAAP)	\$ 13,920	\$ 7,830	\$ 2,427	\$ 3,663
<u>Less income items:</u>				
Interest income	663	392	143	128
Comparable other income (loss) — net (Non-GAAP)	(36)	31	(55)	(12)
<u>Add expense items:</u>				
Comparable interest expense (Non-GAAP)	1,272	758	310	204
Depreciation and amortization	1,181	567	307 ²	307 ³
Comparable EBITDA (Non-GAAP)	\$ 15,746	\$ 8,732	\$ 2,956	\$ 4,058

² Calculated by subtracting depreciation and amortization of \$953 million during the nine months ended September 30, 2022 from depreciation and amortization of \$1,260 million during the year ended December 31, 2022.

³ Calculated by subtracting depreciation and amortization of \$646 million during the six months ended July 1, 2022 from depreciation and amortization of \$953 million during the nine months ended September 30, 2022.