



# Q3 2024 MARGIN ANALYSIS

October 23, 2024

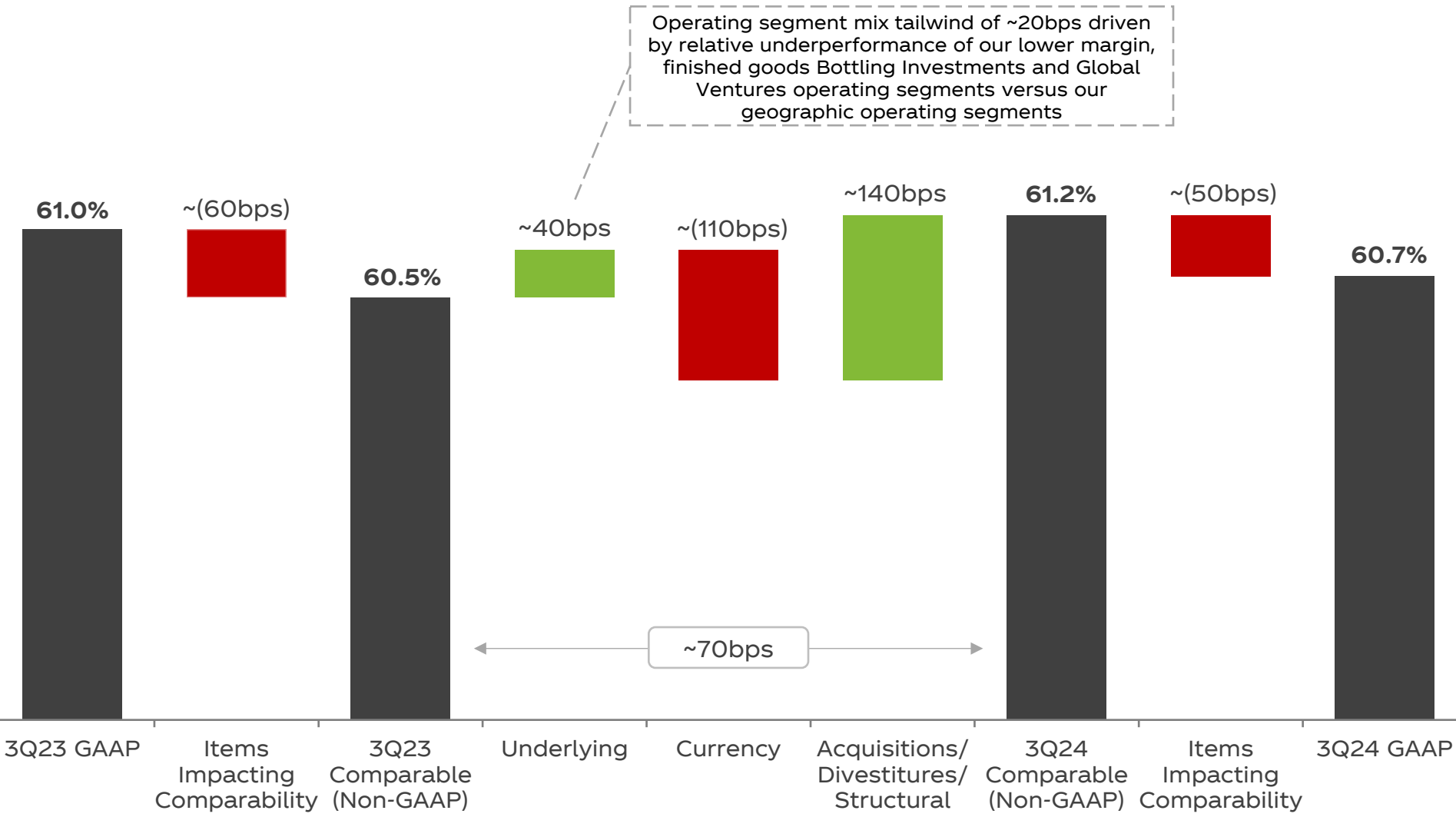
## RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

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 2024 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



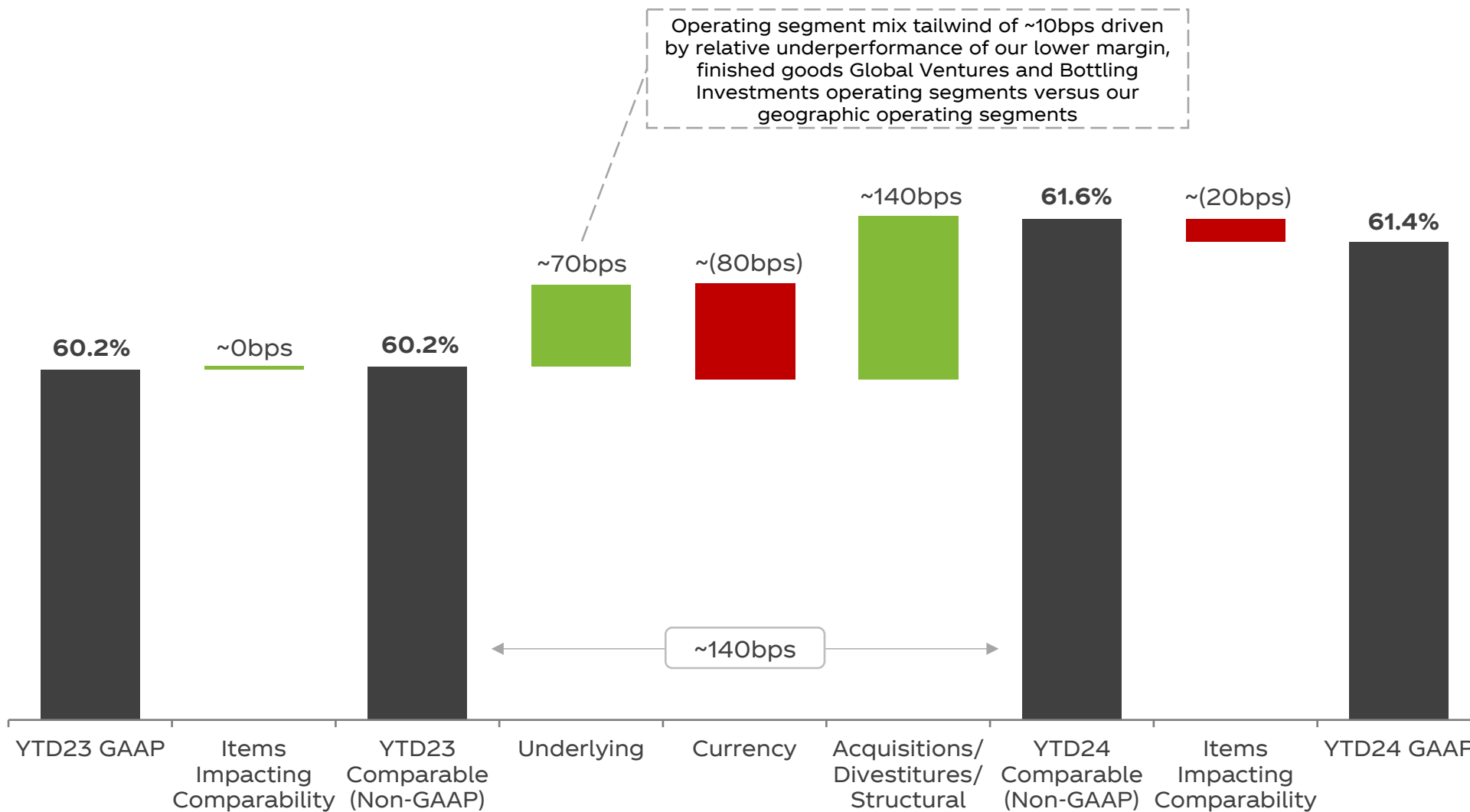
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~40 bps, driven by strong organic revenue growth, partially offset by higher commodity costs.
- The structural tailwind was due to the impact from refranchising bottling operations mainly in the Philippines.



# YTD 2024 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



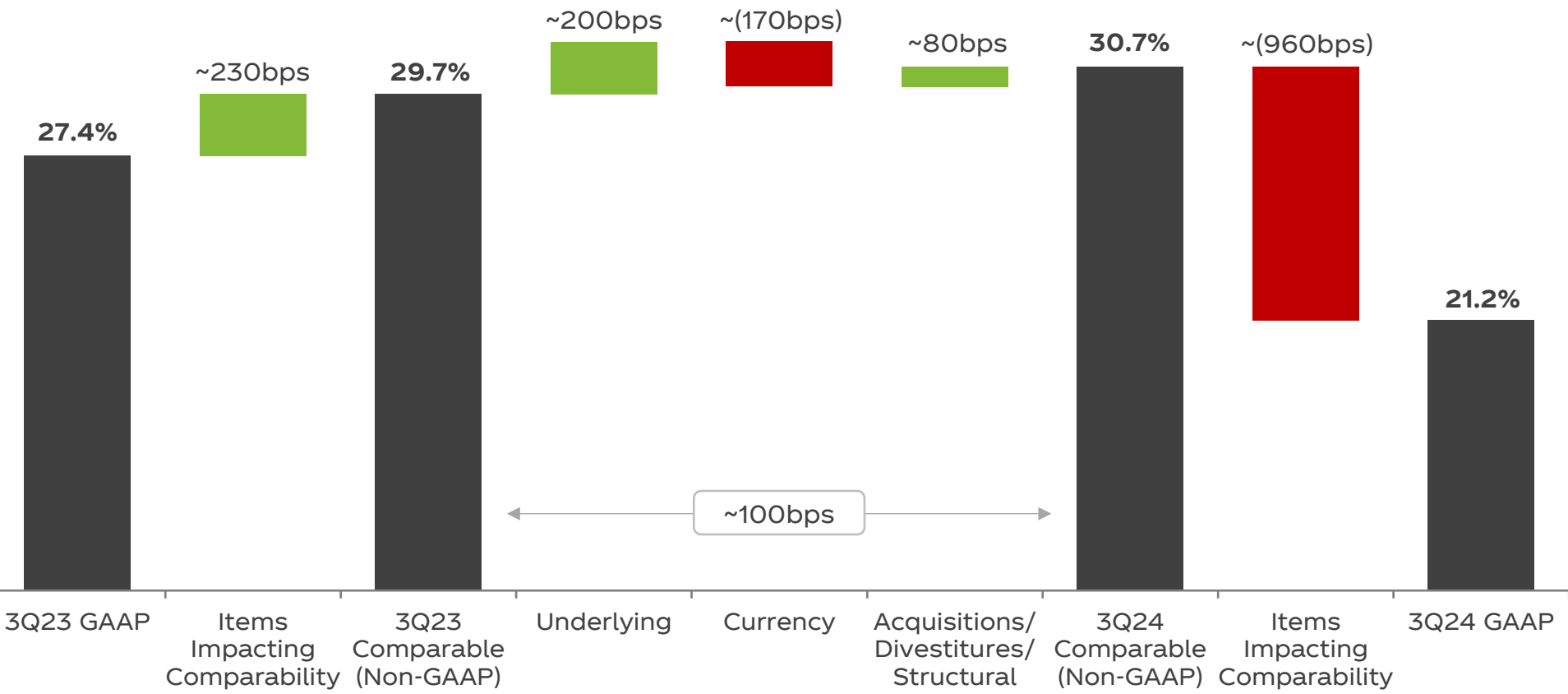
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~70 bps, driven by strong organic revenue growth, partially offset by higher commodity costs.
- The structural tailwind was due to the impact from refranchising bottling operations mainly in the Philippines.

# Q3 2024 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN

Operating segment mix tailwind of ~30bps driven by relative underperformance of our lower margin, finished goods Global Ventures and Bottling Investments operating segments versus our geographic operating segments



## KEY TAKEAWAYS

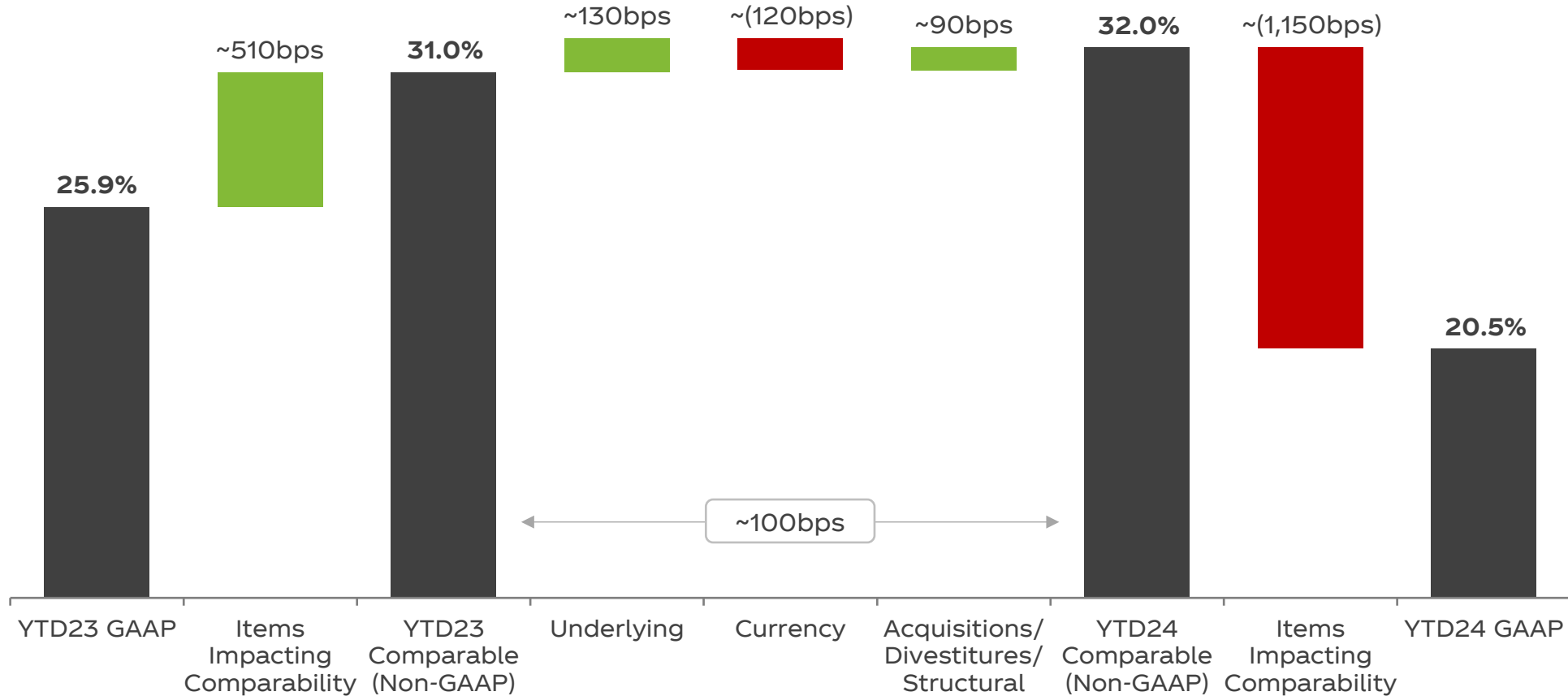
- Items impacting comparability primarily relate to the remeasurement of the fairlife contingent consideration liability, asset impairment, restructuring initiatives and economic hedging activities.
- Underlying operating margin expanded by ~200 bps, primarily driven by flow through from strong organic revenue growth, partially offset by an increase in operating costs and marketing investments.
- The structural tailwind was due to the impact from refranchising bottling operations mainly in the Philippines.



# YTD 2024 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN

Operating segment mix tailwind of ~20bps driven by relative underperformance of our lower margin, finished goods Global Ventures operating segment versus our geographic operating segments



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to the charges for the remeasurement of the fairlife contingent consideration liability, asset impairments, restructuring initiatives and economic hedging activities.
- Underlying operating margin expanded by ~130 bps, primarily driven by flowthrough from strong organic revenue growth, partially offset by an increase in operating costs and marketing investments.
- The structural tailwind was due to the impact from refranchising bottling operations mainly in the Philippines.



# 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:

	Three Months Ended September 27, 2024	Three Months Ended September 29, 2023	Basis Point Growth (Decline)
<b>Reported Gross Margin (GAAP)</b>	<b>60.65%</b>	<b>61.04%</b>	<b>(39)</b>
Items Impacting Comparability (Non-GAAP)	(0.51%)	0.56%	
Comparable Gross Margin (Non-GAAP)	61.16%	60.48%	68
Comparable Currency Impact (Non-GAAP)	(1.07%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	62.23%	60.48%	175
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.00%	(1.36%)	
Underlying Gross Margin (Non-GAAP)	62.23%	61.84%	39

	Nine Months Ended September 27, 2024	Nine Months Ended September 29, 2023	Basis Point Growth
<b>Reported Gross Margin (GAAP)</b>	<b>61.39%</b>	<b>60.22%</b>	<b>117</b>
Items Impacting Comparability (Non-GAAP)	(0.21%)	(0.03%)	
Comparable Gross Margin (Non-GAAP)	61.60%	60.25%	135
Comparable Currency Impact (Non-GAAP)	(0.77%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	62.37%	60.25%	212
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.15%	(1.22%)	
Underlying Gross Margin (Non-GAAP)	62.22%	61.47%	75

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

### Operating Margin:

	Three Months Ended September 27, 2024	Three Months Ended September 29, 2023	Basis Point Growth (Decline)
<b>Reported Operating Margin (GAAP)</b>	21.17%	27.36%	(619)
Items Impacting Comparability (Non-GAAP)	(9.55%)	(2.32%)	
Comparable Operating Margin (Non-GAAP)	30.72%	29.68%	104
Comparable Currency Impact (Non-GAAP)	(1.70%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	32.42%	29.68%	274
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	(0.01%)	(0.78%)	
Underlying Operating Margin (Non-GAAP)	32.43%	30.46%	197

	Nine Months Ended September 27, 2024	Nine Months Ended September 29, 2023	Basis Point Growth (Decline)
<b>Reported Operating Margin (GAAP)</b>	20.50%	25.89%	(539)
Items Impacting Comparability (Non-GAAP)	(11.48%)	(5.12%)	
Comparable Operating Margin (Non-GAAP)	31.98%	31.01%	97
Comparable Currency Impact (Non-GAAP)	(1.20%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	33.18%	31.01%	217
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.15%	(0.72%)	
Underlying Operating Margin (Non-GAAP)	33.03%	31.73%	130