

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)

Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Basis Point Growth (Decline)
56.81%	58.45%	(164)
(0.51%)	1.01%	
57.32%	57.44%	(12)

Reported Gross Margin (GAAP)

Items Impacting Comparability (Non-GAAP)

Comparable Gross Margin (Non-GAAP)

Year Ended December 31, 2021	Year Ended December 31, 2020	Basis Point Growth (Decline)
60.27%	59.31%	96
0.13%	0.22%	
60.14%	59.09%	105

Note Regarding Forward-Looking Non-GAAP Financial Measures in the Earnings Call:

The 2022 outlook information discussed in the earnings call includes forward-looking non-GAAP financial measures, which management uses in measuring performance. The company is not able to reconcile full year 2022 projected free cash flow conversion (non-GAAP) to full year 2022 projected net cash provided by operating activities conversion without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the exact timing and amount of noncash items impacting comparability throughout 2022. The unavailable information could have a significant impact on the company's full year 2022 reported financial results.

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Operating Margin:

Reported Operating Margin (GAAP)
Items Impacting Comparability (Non-GAAP)
Comparable Operating Margin (Non-GAAP)

Year Ended December 31, 2021	Year Ended December 31, 2019	Basis Point Growth (Decline)
26.67%	27.07%	(40)
(2.07%)	(0.85%)	
28.74%	27.92%	82

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(UNAUDITED)
(In millions)

Adjusted Free Cash Flow Conversion Ratio:

Net Cash Provided by Operating Activities
Purchases of Property, Plant and Equipment
Free Cash Flow (Non-GAAP)
Plus: Cash Payments for Pension Plan Contributions
Adjusted Free Cash Flow (Non-GAAP)

Net Income Attributable to Shareowners of The Coca-Cola Company
Noncash Items Impacting Comparability:
Asset Impairments
Equity Investees
Transaction Gains/Losses
CCBA Unrecognized Depreciation and Amortization
Other Items
Certain Tax Matters
Adjusted Net Income Attributable to Shareowners of The Coca-Cola Company (Non-GAAP)

Cash Flow Conversion Ratio¹
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)²

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net Cash Provided by Operating Activities	\$ 12,625	\$ 9,844	\$ 10,471
Purchases of Property, Plant and Equipment	(1,367)	(1,177)	(2,054)
Free Cash Flow (Non-GAAP)	11,258	8,667	8,417
Plus: Cash Payments for Pension Plan Contributions	—	—	—
Adjusted Free Cash Flow (Non-GAAP)	\$ 11,258	\$ 8,667	\$ 8,417
Net Income Attributable to Shareowners of The Coca-Cola Company	\$ 9,771	\$ 7,747	\$ 8,920
Noncash Items Impacting Comparability:			
Asset Impairments	62	493	773
Equity Investees	23	216	96
Transaction Gains/Losses	(1,109)	(933)	(463)
CCBA Unrecognized Depreciation and Amortization	—	—	(67)
Other Items	555	291	(148)
Certain Tax Matters	410	207	(331)
Adjusted Net Income Attributable to Shareowners of The Coca-Cola Company (Non-GAAP)	\$ 9,712	\$ 8,021	\$ 8,780
Cash Flow Conversion Ratio ¹	129%	127%	117%
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP) ²	116%	108%	96%

¹ Cash flow conversion ratio is calculated by dividing net cash provided by operating activities by net income attributable to shareowners of The Coca-Cola Company.

² Adjusted free cash flow conversion ratio is calculated by dividing adjusted free cash flow by adjusted net income attributable to shareowners of The Coca-Cola Company.

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(UNAUDITED)
(In millions)

Dividend Payout Ratio:

Net Cash Provided by Operating Activities (GAAP)

Purchases of Property, Plant and Equipment (GAAP)

Free Cash Flow (Non-GAAP)

Dividends (GAAP)

Ratio of Dividends to Net Cash Provided by Operating Activities (GAAP)

Dividend Payout Ratio (Non-GAAP) ¹

Year Ended December 31, 2021	
\$	12,625
	<u>(1,367)</u>
\$	11,258
\$	7,252
	57%
	64%

¹ Dividend payout ratio is calculated by dividing dividends by free cash flow.