



# Q3 2023 MARGIN ANALYSIS

October 24, 2023

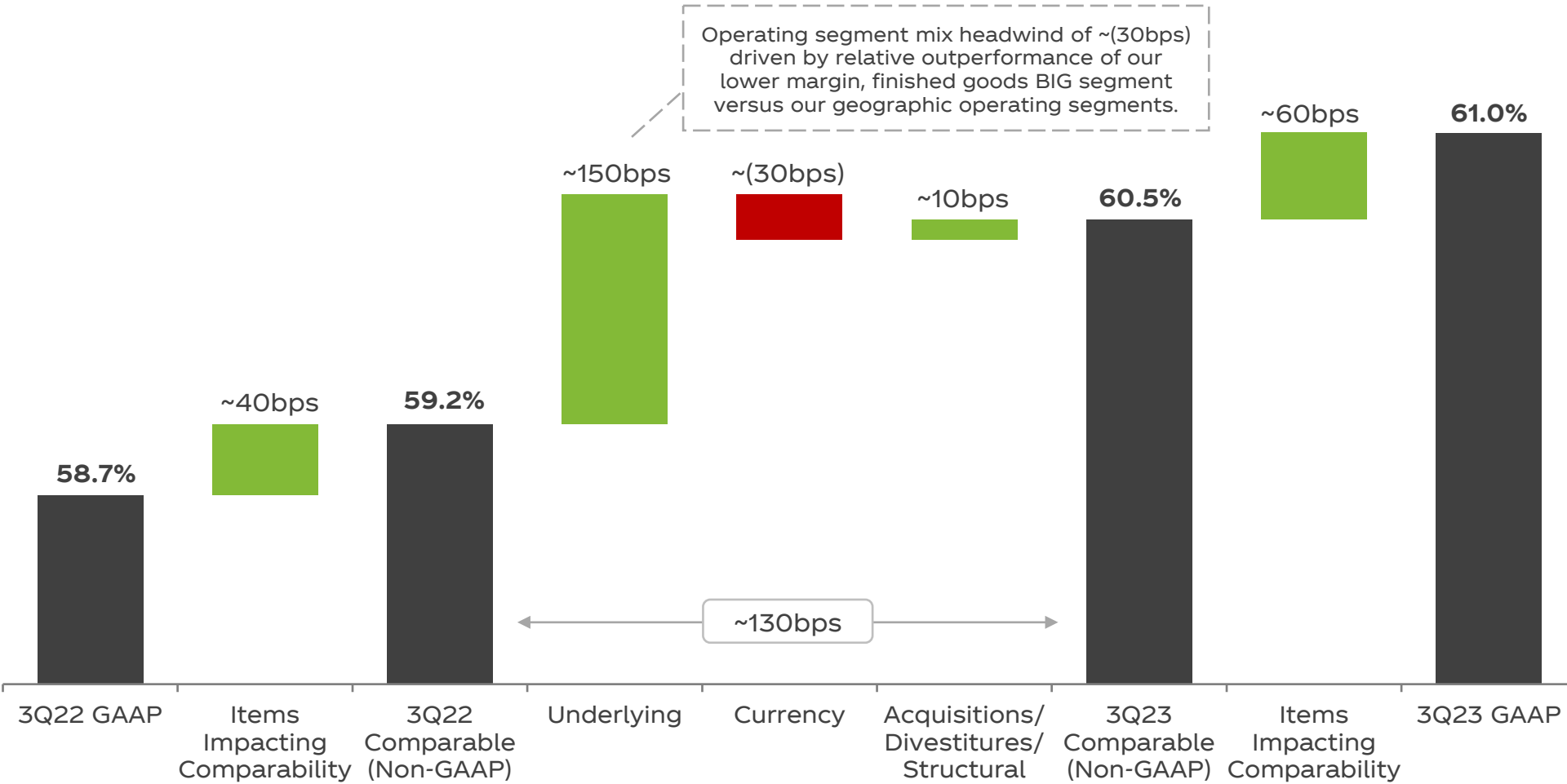
## RECONCILIATION TO U.S. GAAP FINANCIAL INFORMATION

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 2023 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN



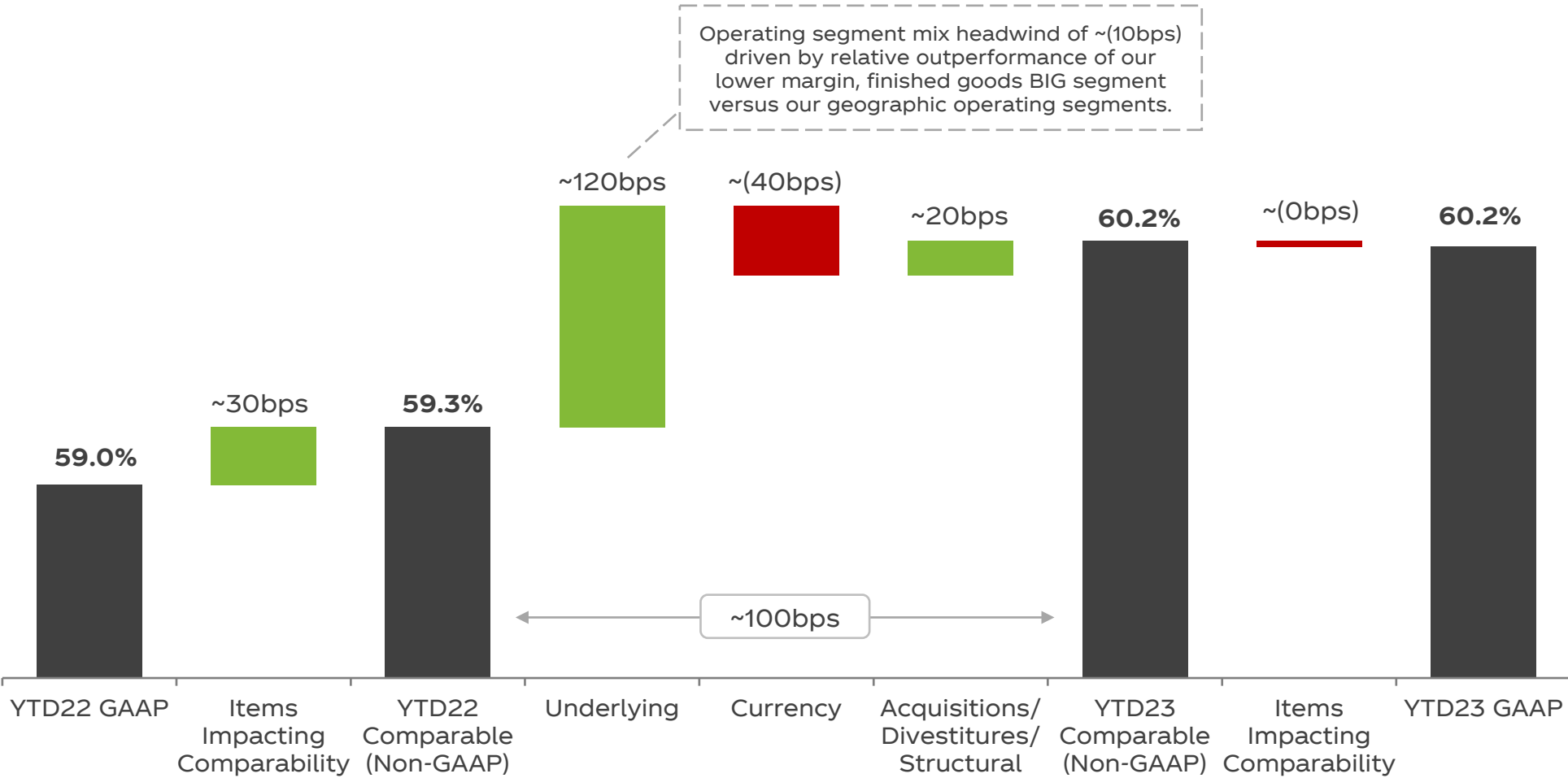
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~150 bps, driven by strong organic revenue growth, partially offset by higher commodity costs.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.



# YTD 2023 MARGIN ANALYSIS

## CONSOLIDATED GROSS MARGIN

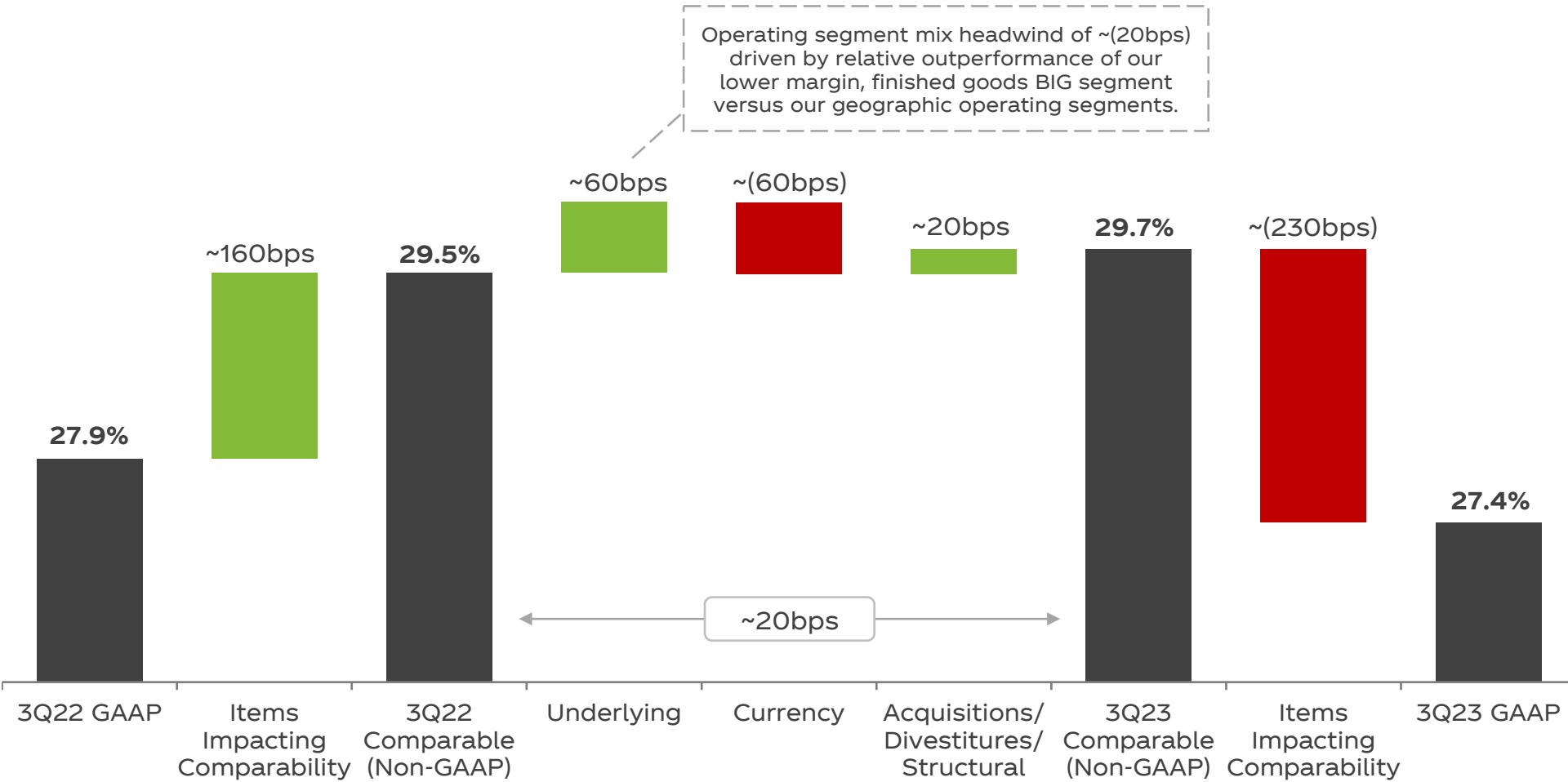


## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~120 bps, driven by strong organic revenue growth and cycling the timing of M&A expenses, partially offset by higher commodity costs.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.

# Q3 2023 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



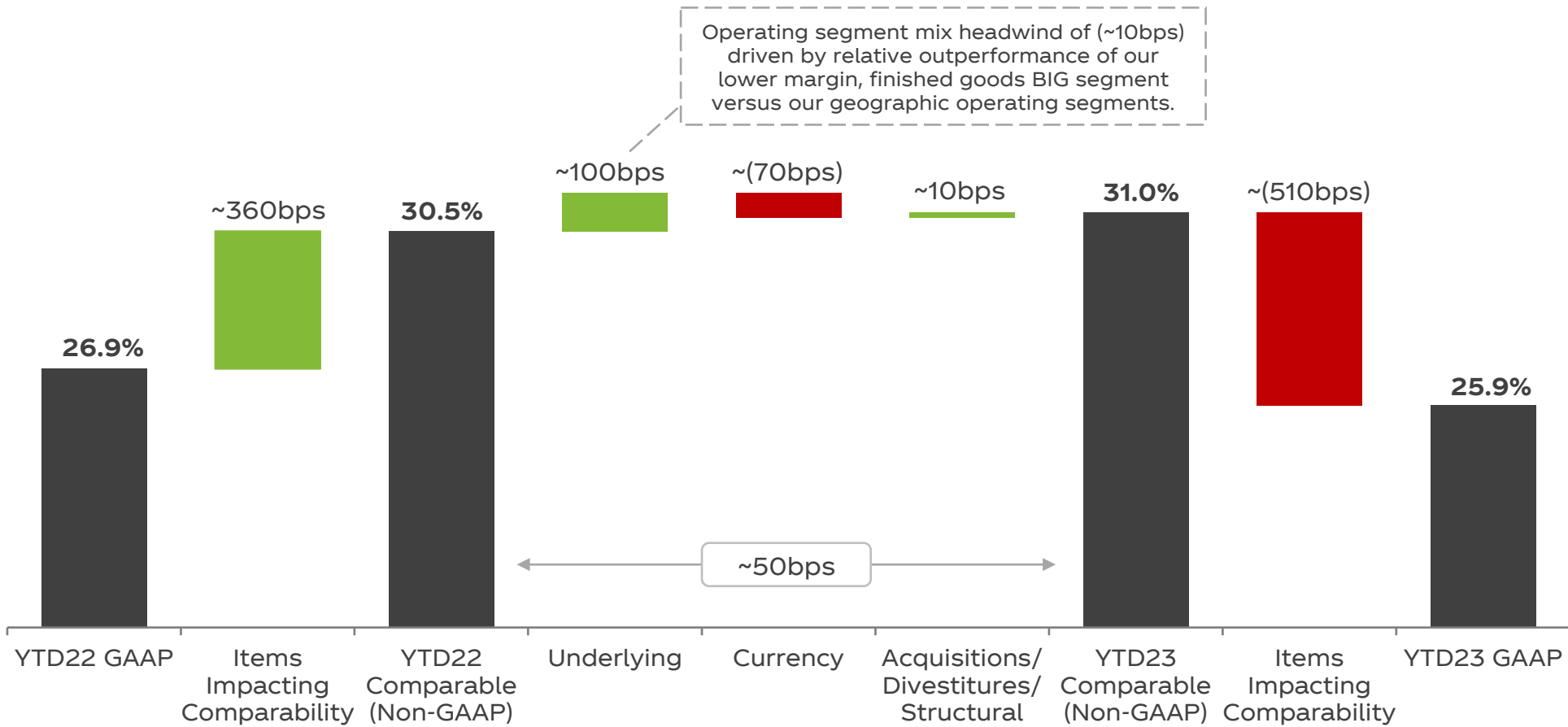
## KEY TAKEAWAYS

- Items impacting comparability primarily relate to transaction gains & losses, restructuring initiatives and economic hedging activities.
- Underlying operating margin expanded by ~60 bps, primarily driven by strong topline growth, partially offset by an increase in marketing investments.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.



# YTD 2023 MARGIN ANALYSIS

## CONSOLIDATED OPERATING MARGIN



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to transaction gains & losses, restructuring initiatives 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.
- The structural tailwind was primarily due to the impact from refranchising bottling operations in Vietnam and Cambodia.



# 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 29, 2023	Three Months Ended September 30, 2022	Basis Point Growth
<b>Reported Gross Margin (GAAP)</b>	<b>61.04%</b>	<b>58.73%</b>	<b>231</b>
Items Impacting Comparability (Non-GAAP)	0.56%	(0.44%)	
Comparable Gross Margin (Non-GAAP)	60.48%	59.17%	131
Comparable Currency Impact (Non-GAAP)	(0.29%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	60.77%	59.17%	160
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.00%	(0.14%)	
Underlying Gross Margin (Non-GAAP)	60.77%	59.31%	146

	Nine Months Ended September 29, 2023	Nine Months Ended September 30, 2022	Basis Point Growth
<b>Reported Gross Margin (GAAP)</b>	<b>60.22%</b>	<b>58.98%</b>	<b>124</b>
Items Impacting Comparability (Non-GAAP)	(0.03%)	(0.30%)	
Comparable Gross Margin (Non-GAAP)	60.25%	59.28%	97
Comparable Currency Impact (Non-GAAP)	(0.36%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	60.61%	59.28%	133
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.04%	(0.14%)	
Underlying Gross Margin (Non-GAAP)	60.57%	59.42%	115

# 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)  
 Comparable Operating Margin (Non-GAAP)  
 Comparable Currency Impact (Non-GAAP)  
 Comparable Currency Neutral Operating Margin (Non-GAAP)  
 Impact of Acquisitions, Divestitures and Structural Changes on  
 Comparable Currency Neutral Operating Margin (Non-GAAP)  
 Underlying Operating Margin (Non-GAAP)

Three Months Ended September 29, 2023	Three Months Ended September 30, 2022	Basis Point Growth (Decline)
27.36%	27.91%	(55)
(2.32%)	(1.58%)	
29.68%	29.49%	19
(0.62%)	0.00%	
30.30%	29.49%	81
(0.01%)	(0.22%)	
30.31%	29.71%	60

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

Items Impacting Comparability (Non-GAAP)  
 Comparable Operating Margin (Non-GAAP)  
 Comparable Currency Impact (Non-GAAP)  
 Comparable Currency Neutral Operating Margin (Non-GAAP)  
 Impact of Acquisitions, Divestitures and Structural Changes on  
 Comparable Currency Neutral Operating Margin (Non-GAAP)  
 Underlying Operating Margin (Non-GAAP)

Nine Months Ended September 29, 2023	Nine Months Ended September 30, 2022	Basis Point Growth (Decline)
25.89%	26.87%	(98)
(5.12%)	(3.65%)	
31.01%	30.52%	49
(0.66%)	0.00%	
31.67%	30.52%	115
0.03%	(0.14%)	
31.64%	30.66%	98