



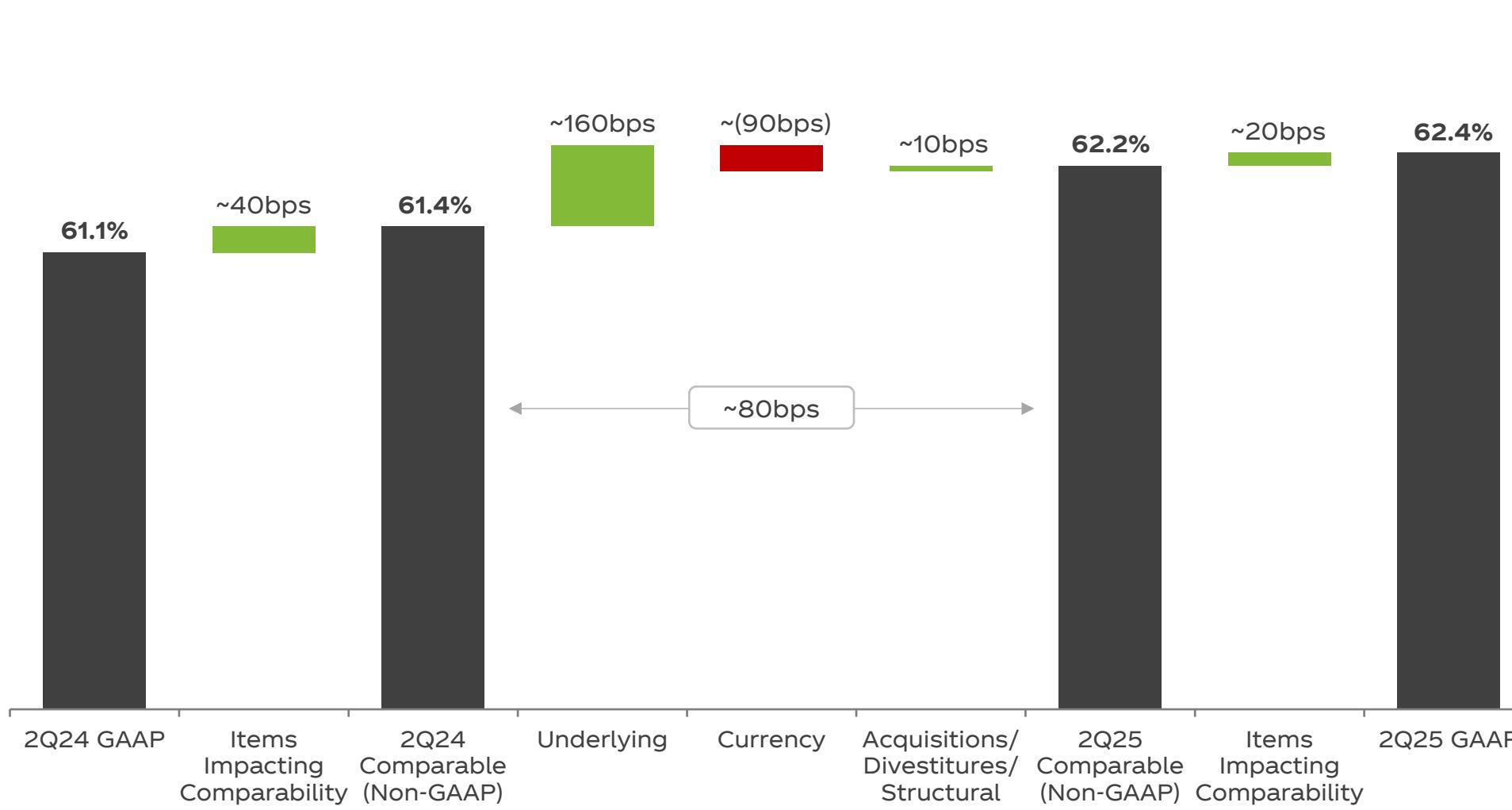
# **Q2 2025 MARGIN ANALYSIS**

**July 22, 2025**

## **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.

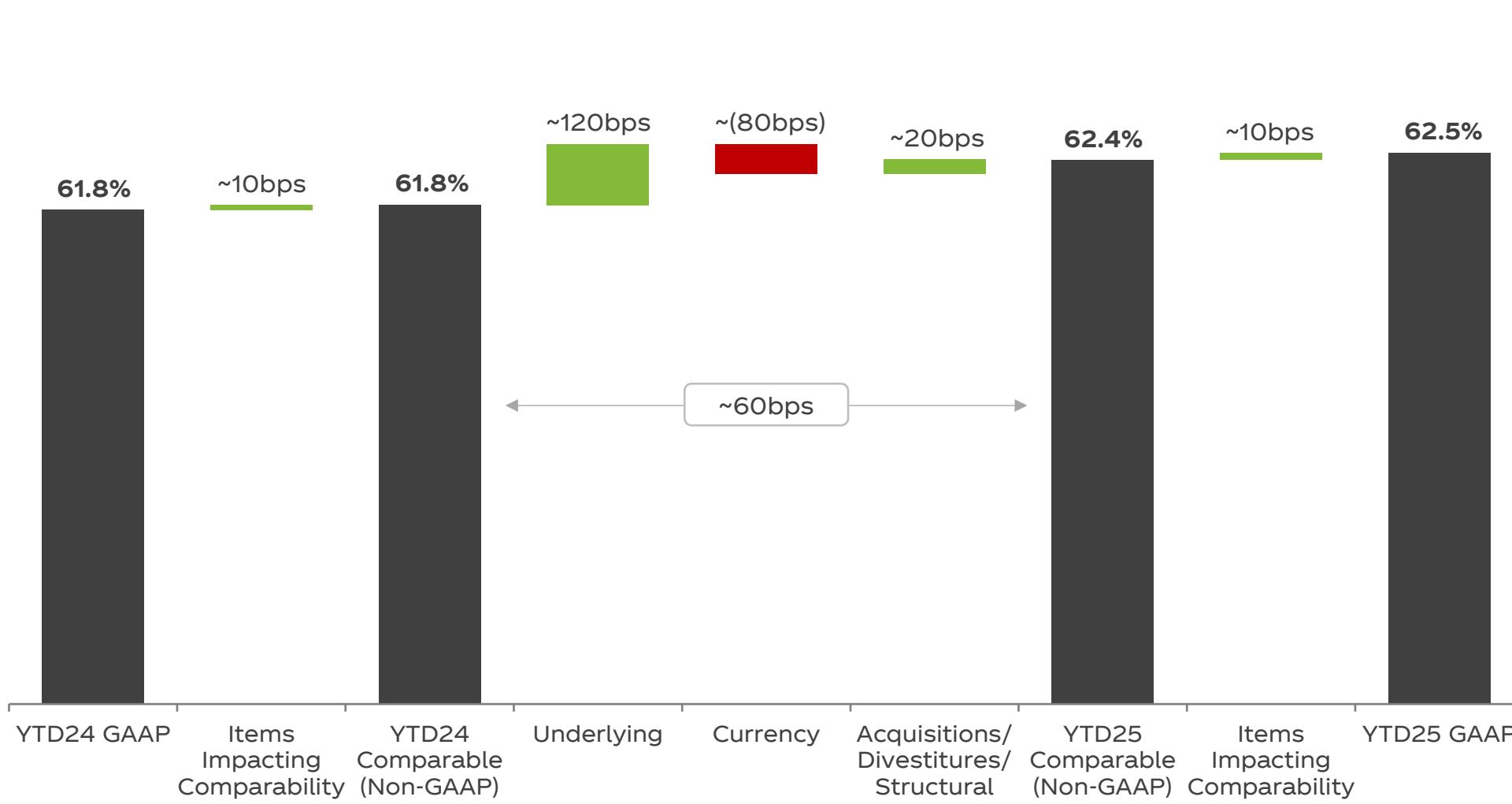
## CONSOLIDATED GROSS MARGIN



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~160 bps, driven by organic revenue growth, partially offset by higher commodity costs.
- The structural tailwind was due to the impact from refranchising bottling operations in certain territories in India.

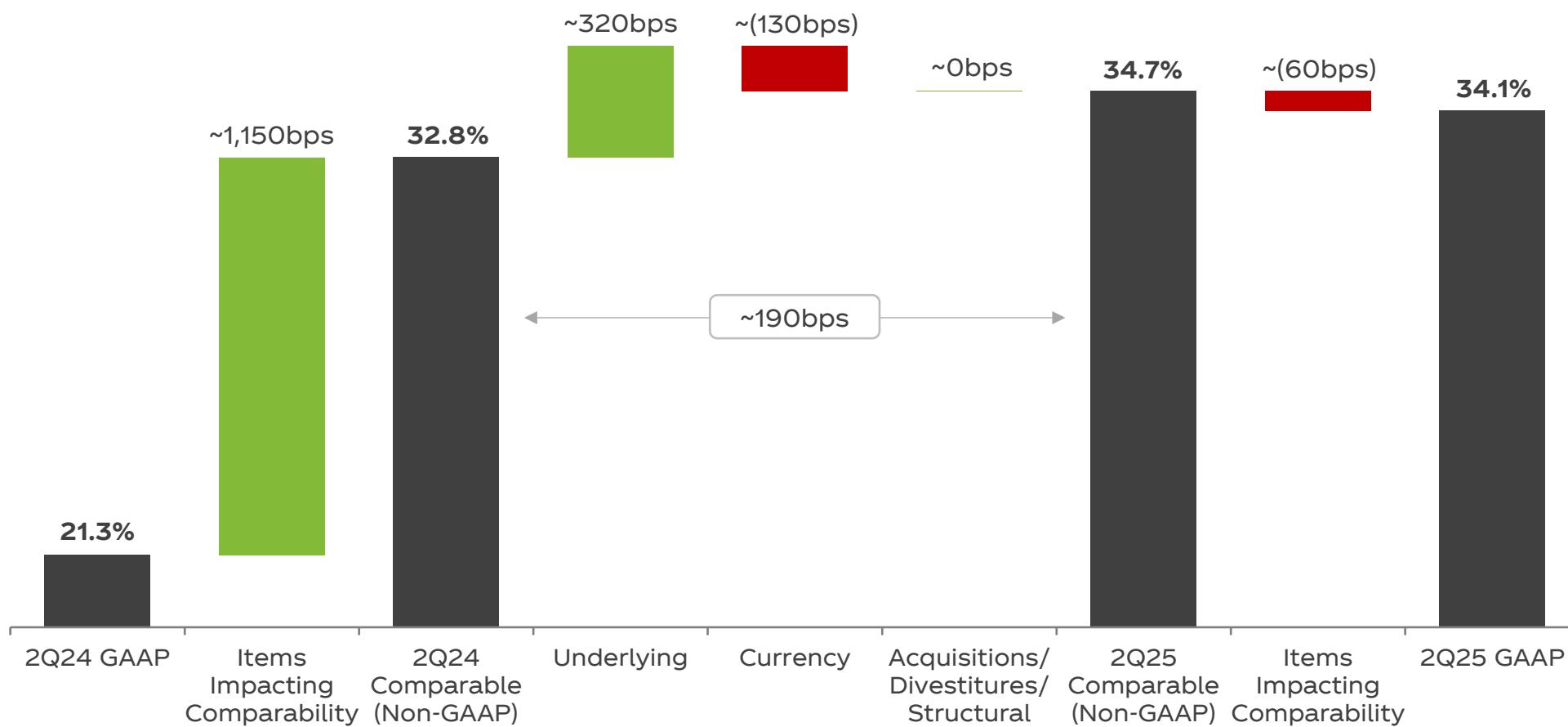
## CONSOLIDATED GROSS MARGIN



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to economic hedging activities.
- Underlying gross margin expanded by ~120 bps, driven by 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 and certain territories in India.

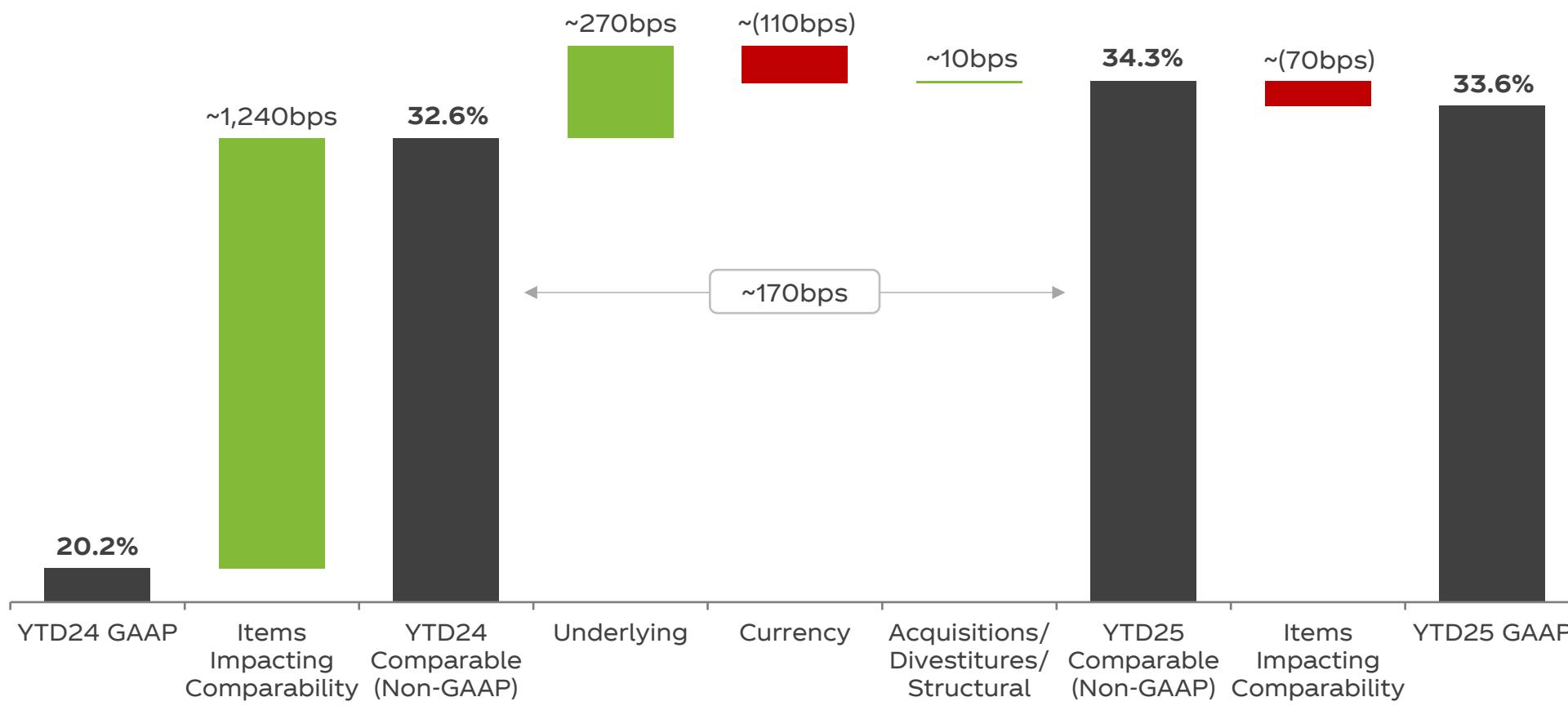
## CONSOLIDATED OPERATING MARGIN



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to the remeasurement of the fairlife contingent consideration liability in the prior year, asset impairments, restructuring initiatives and economic hedging activities.
- Underlying operating margin expanded by ~320 bps, primarily driven by organic revenue growth, the timing of marketing investments and effective cost management.

## CONSOLIDATED OPERATING MARGIN



## KEY TAKEAWAYS

- Items impacting comparability primarily relate to charges for the remeasurement of the fairlife contingent consideration liability in the prior year, the impairment of the BODYARMOR® trademark in the prior year, asset impairments, restructuring initiatives and economic hedging activities.
- Underlying operating margin expanded by ~270 bps, primarily driven by organic revenue growth, effective cost management and the timing of marketing investments.
- The structural tailwind was due to the impact from refranchising bottling operations mainly in the Philippines and certain territories in India.



# APPENDIX

RECONCILIATIONS OF GAAP AND NON-GAAP FINANCIAL  
MEASURES

**THE COCA-COLA COMPANY AND SUBSIDIARIES**  
**Reconciliation of GAAP and Non-GAAP Financial Measures**  
(UAUDITED)

**Gross Margin:**

	<b>Three Months Ended June 27, 2025</b>	<b>Three Months Ended June 28, 2024</b>	<b>Basis Point Growth</b>
<b>Reported Gross Margin (GAAP)</b>	<b>62.40%</b>	<b>61.07%</b>	133
Items Impacting Comparability (Non-GAAP)	0.17%	(0.35%)	
Comparable Gross Margin (Non-GAAP)	62.23%	61.42%	81
Comparable Currency Impact (Non-GAAP)	(0.86%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	63.09%	61.42%	167
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.01%	(0.06%)	
Underlying Gross Margin (Non-GAAP)	63.08%	61.48%	160

	<b>Six Months Ended June 27, 2025</b>	<b>Six Months Ended June 28, 2024</b>	<b>Basis Point Growth</b>
<b>Reported Gross Margin (GAAP)</b>	<b>62.49%</b>	<b>61.77%</b>	72
Items Impacting Comparability (Non-GAAP)	0.09%	(0.06%)	
Comparable Gross Margin (Non-GAAP)	62.40%	61.83%	57
Comparable Currency Impact (Non-GAAP)	(0.76%)	0.00%	
Comparable Currency Neutral Gross Margin (Non-GAAP)	63.16%	61.83%	133
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Gross Margin (Non-GAAP)	0.00%	(0.17%)	
Underlying Gross Margin (Non-GAAP)	63.16%	62.00%	116

**THE COCA-COLA COMPANY AND SUBSIDIARIES**  
**Reconciliation of GAAP and Non-GAAP Financial Measures**  
(UAUDITED)

**Operating Margin:**

	<b>Three Months Ended June 27, 2025</b>	<b>Three Months Ended June 28, 2024</b>	<b>Basis Point Growth</b>
<b>Reported Operating Margin (GAAP)</b>	34.15%	21.29%	1,286
Items Impacting Comparability (Non-GAAP)	(0.57%)	(11.50%)	
Comparable Operating Margin (Non-GAAP)	34.72%	32.79%	193
Comparable Currency Impact (Non-GAAP)	(1.32%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	36.04%	32.79%	325
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.01%	0.00%	
Underlying Operating Margin (Non-GAAP)	36.03%	32.79%	324

<b>Reported Operating Margin (GAAP)</b>	33.55%	20.17%	1,338
Items Impacting Comparability (Non-GAAP)	(0.73%)	(12.45%)	
Comparable Operating Margin (Non-GAAP)	34.28%	32.62%	166
Comparable Currency Impact (Non-GAAP)	(1.06%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	35.34%	32.62%	272
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.00%	(0.05%)	
Underlying Operating Margin (Non-GAAP)	35.34%	32.67%	267

	<b>Six Months Ended June 27, 2025</b>	<b>Six Months Ended June 28, 2024</b>	<b>Basis Point Growth</b>
<b>Reported Operating Margin (GAAP)</b>	33.55%	20.17%	1,338
Items Impacting Comparability (Non-GAAP)	(0.73%)	(12.45%)	
Comparable Operating Margin (Non-GAAP)	34.28%	32.62%	166
Comparable Currency Impact (Non-GAAP)	(1.06%)	0.00%	
Comparable Currency Neutral Operating Margin (Non-GAAP)	35.34%	32.62%	272
Impact of Acquisitions, Divestitures and Structural Changes on Comparable Currency Neutral Operating Margin (Non-GAAP)	0.00%	(0.05%)	
Underlying Operating Margin (Non-GAAP)	35.34%	32.67%	267