



News Release

Coca-Cola Reports Second Quarter 2024 Results and Raises Full-Year Guidance

Global Unit Case Volume Grew 2%

Net Revenues Grew 3%;
Organic Revenues (Non-GAAP) Grew 15%

Operating Income Grew 10%;
Comparable Currency Neutral Operating Income (Non-GAAP) Grew 18%

Operating Margin Was 21.3% Versus 20.1% in the Prior Year;
Comparable Operating Margin (Non-GAAP) Was 32.8% Versus 31.6% in the Prior Year

EPS Declined 5% to \$0.56; Comparable EPS (Non-GAAP) Grew 7% to \$0.84

ATLANTA, July 23, 2024 – The Coca-Cola Company today reported second quarter 2024 results that demonstrate continued momentum in an industry with many growth opportunities. “We are encouraged with our second quarter results, which delivered solid topline and operating income growth in an ever-changing landscape,” said James Quincey, Chairman and CEO of The Coca-Cola Company. “Together with our bottling partners, we continue to execute our highly effective all-weather strategy, and we are confident in our ability to deliver on our raised 2024 guidance and longer-term objectives.”

Highlights

Quarterly Performance

- **Revenues:** Net revenues grew 3% to \$12.4 billion, and organic revenues (non-GAAP) grew 15%. Revenue performance included 9% growth in price/mix and 6% growth in concentrate sales. Concentrate sales were 4 points ahead of unit case volume, primarily due to the timing of concentrate shipments.
- **Operating margin:** Operating margin, which includes items impacting comparability, was 21.3% versus 20.1% in the prior year, while comparable operating margin (non-GAAP) was 32.8% versus 31.6% in the prior year. Operating margin expansion was primarily driven by strong business performance and the impact of refranchising bottling operations, partially offset by currency headwinds and an increase in marketing investments.
- **Earnings per share:** EPS declined 5% to \$0.56, while comparable EPS (non-GAAP) grew 7% to \$0.84. EPS performance included the impact of an 11-point currency headwind, while comparable EPS (non-GAAP) performance included the impact of a 10-point currency headwind.

- **Market share:** The company gained value share in total nonalcoholic ready-to-drink (NARTD) beverages.
- **Cash flow:** Cash flow from operations was \$4.1 billion, a decrease of \$516 million versus the prior year, largely due to higher tax payments and cycling working capital benefits from the prior year. Free cash flow (non-GAAP) was \$3.3 billion, a decrease of \$693 million versus the prior year.

Company Updates

- **Utilizing enhanced marketing capabilities to “Celebrate Everyday Greatness”:** The company has a 96-year relationship with the Olympic Movement and is using its transformed marketing approach to connect with fans around the world in advance of the Olympic and Paralympic Games. The “Celebrate Everyday Greatness” campaign focuses on five key brands and leverages a global toolkit to tailor marketing locally. In France, the Olympic flame has been celebrated through digital and live experiences during the Olympic Torch Relay. Consumers engaged with AI-powered digital artwork, creating personalized avatars to virtually accompany torchbearers. The company connected with consumers through music, offering in-person concerts in six cities along the relay route and so far more than 750,000 beverage samples have been distributed via recyclable mini cans and reusable cups. Millions of fans have also tuned in to the concerts via live streaming, all powered by Coke Studio. To share the magic of Paris 2024 with other regions, the company collaborated with local artists to introduce new Trademark Coca-Cola “hug cans” to celebrate the unity of fans and athletes. By combining two hug cans, consumers unlock prizes and experiences and can connect with others through social media. In the latest evolution of the “Pause is Power™” campaign, Powerade launched a globally integrated campaign in 30 markets that aspires to support mental and physical well-being including social and experiential activations featuring Team Powerade athletes. The company also introduced a new flavor specially designed for the Olympic and Paralympic Games, Powerade Gold, in 20 markets. The campaigns contributed to Powerade® growing volume 6% during the quarter.
- **Delivering value through elevated revenue growth management (RGM) capabilities:** The company has made significant progress in optimizing its price-pack architecture, leveraging its RGM advantage to create value for customers and consumers. In some developed markets where consumers are seeking more affordable offerings, the company is partnering with customers through affordability activations to drive basket incidence and increase retail sales. In India, the company is leveraging packaging innovation by utilizing an ultra-lightweight affordable bottle with an extended shelf life, allowing beverages to be transported farther to reach more consumers and reducing costs. The package is now available in over half of India’s commercial beverage outlets and has added more than 400 million transactions in the first half of the year. In Latin America, the company is piloting and scaling its use of AI to quickly react to market changes, optimize pricing decisions and adjust strategies to meet local business objectives, driving revenue and volume growth across the system.

Operating Review – Three Months Ended June 28, 2024

Revenues and Volume

<i>Percent Change</i>	Concentrate Sales ¹	Price/Mix	Currency Impact	Acquisitions, Divestitures and Structural Changes, Net	Reported Net Revenues	Organic Revenues ²	Unit Case Volume ³
Consolidated	6	9	(6)	(5)	3	15	2
Europe, Middle East & Africa	5	24	(23)	0	7	30	0
Latin America	9	19	(9)	0	20	28	5
North America	(1)	11	0	0	10	10	(1)
Asia Pacific	7	(3)	(6)	(2)	(4)	4	3
Global Ventures ⁴	3	(2)	0	0	0	1	3
Bottling Investments	7	7	(2)	(37)	(25)	14	(27)

Operating Income and EPS

<i>Percent Change</i>	Reported Operating Income	Items Impacting Comparability	Currency Impact	Comparable Currency Neutral Operating Income ²
Consolidated	10	3	(11)	18
Europe, Middle East & Africa	11	0	(22)	32
Latin America	15	5	(18)	28
North America	8	0	0	8
Asia Pacific	(4)	4	(6)	(2)
Global Ventures	19	0	1	19
Bottling Investments	(20)	2	(3)	(20)

<i>Percent Change</i>	Reported EPS	Items Impacting Comparability	Currency Impact	Comparable Currency Neutral EPS ²
Consolidated	(5)	(12)	(10)	17

Note: Certain rows may not add due to rounding.

¹ For Bottling Investments, this represents the percent change in net revenues attributable to the increase (decrease) in unit case volume computed based on total sales (rather than average daily sales) in each of the corresponding periods after considering the impact of structural changes, if any.

² Organic revenues, comparable currency neutral operating income and comparable currency neutral EPS are non-GAAP financial measures. Refer to the Reconciliation of GAAP and Non-GAAP Financial Measures section.

³ Unit case volume is computed based on average daily sales.

⁴ Due to the combination of multiple business models in the Global Ventures operating segment, the composition of concentrate sales and price/mix may fluctuate materially from period to period. Therefore, the company places greater focus on revenue growth as the best indicator of underlying performance of the Global Ventures operating segment.

In addition to the data in the preceding tables, operating results included the following:

Consolidated

- Unit case volume grew 2%. Developed markets were even, while developing and emerging markets grew mid-single digits, driven by growth in India, Brazil and the Philippines.

Unit case volume performance included the following:

- Sparkling soft drinks grew 3%, led by strong performance in Asia Pacific and Latin America. Trademark Coca-Cola grew 2%, driven by growth in Latin America and Asia Pacific. Coca-Cola Zero Sugar grew 6%, driven by growth in all geographic operating segments. Sparkling flavors grew 3%, driven by Asia Pacific.
- Juice, value-added dairy and plant-based beverages grew 2%, led by North America and Asia Pacific.
- Water, sports, coffee and tea unit case volume was even. Water declined 1%, as growth in Latin America and Europe, Middle East and Africa was more than offset by declines in Asia Pacific and North America. Sports drinks grew 3%, driven by Latin America, Europe, Middle East and Africa, and Asia Pacific. Coffee declined 4%, primarily due to the performance of Costa coffee in the United Kingdom. Tea grew 1%, driven by growth in Asia Pacific and Europe, Middle East and Africa.
- Price/mix grew 9%. Approximately 5 points were driven by pricing from markets experiencing intense inflation, with the remainder primarily driven by pricing actions in the marketplace. Concentrate sales were 4 points ahead of unit case volume, primarily due to the timing of concentrate shipments.
- Operating income grew 10%, which included items impacting comparability and a 16-point currency headwind. Comparable currency neutral operating income (non-GAAP) grew 18%, primarily driven by organic revenue (non-GAAP) growth across all operating segments, partially offset by an increase in marketing investments.

Europe, Middle East & Africa

- Unit case volume was even, as growth in water, sports, coffee and tea and sparkling flavors was offset by declines in Trademark Coca-Cola and juice, value-added dairy and plant-based beverages.
- Price/mix grew 24%. Approximately two-thirds was driven by pricing from markets experiencing intense inflation, with the remainder driven primarily by favorable mix and pricing actions across operating units. Concentrate sales were 5 points ahead of unit case volume, primarily due to the timing of concentrate shipments.
- Operating income grew 11%, which included a 22-point currency headwind. Comparable currency neutral operating income (non-GAAP) grew 32%, primarily driven by strong organic revenue (non-GAAP) growth, partially offset by higher operating expenses and an increase in marketing investments.
- The company gained value share in total NARTD beverages, led by share gains in Nigeria, Poland and Romania.

Latin America

- Unit case volume grew 5%, driven by growth in Trademark Coca-Cola and water, sports, coffee and tea. Growth was led by Mexico and Brazil.
- Price/mix grew 19%. Approximately two-thirds was driven by the impact of inflationary pricing in Argentina, with the remainder primarily driven by pricing actions in the marketplace. Concentrate sales were 4 points ahead of unit case volume, primarily due to the timing of concentrate shipments.
- Operating income grew 15%, which included items impacting comparability and a 13-point currency headwind. Comparable currency neutral operating income (non-GAAP) grew 28%, primarily driven by strong organic revenue (non-GAAP) growth, partially offset by an increase in marketing investments.
- The company lost value share in total NARTD beverages, as growth in Colombia was more than offset by losses in Mexico and Brazil.

North America

- Unit case volume declined 1%, as growth in juice, value-added dairy and plant-based beverages was more than offset by declines in water, sports, coffee and tea, Trademark Coca-Cola and sparkling flavors.
- Price/mix grew 11%, driven by favorable mix and pricing actions in the marketplace. Concentrate sales were in line with unit case volume.
- Operating income and comparable currency neutral operating income (non-GAAP) both grew 8%, primarily driven by organic revenue (non-GAAP) growth, partially offset by an increase in marketing investments and higher input costs.
- The company gained value share in total NARTD beverages, driven by share gains in juice, value-added dairy and plant-based beverages and Trademark Coca-Cola.

Asia Pacific

- Unit case volume grew 3%, driven by growth in sparkling flavors and Trademark Coca-Cola. Growth was led by India and the Philippines.
- Price/mix declined 3%, primarily driven by unfavorable mix, partially offset by pricing actions in the marketplace. Concentrate sales were 4 points ahead of unit case volume, primarily due to the timing of concentrate shipments.
- Operating income declined 4%, which included items impacting comparability and a 7-point currency headwind. Comparable currency neutral operating income (non-GAAP) declined 2%, as organic revenue (non-GAAP) growth was more than offset by an increase in marketing investments and higher input costs.
- The company gained value share in total NARTD beverages, led by share gains in the Philippines, Japan and South Korea.

Global Ventures

- Net revenues were even, and organic revenues (non-GAAP) grew 1%.
- Operating income grew 19%, which included a 1-point currency tailwind. Comparable currency neutral operating income (non-GAAP) grew 19%, driven by product mix.

Bottling Investments

- Unit case volume declined 27%, as growth in South Africa was more than offset by the impact of refranchising bottling operations.
- Price/mix grew 7%, driven by pricing actions across most markets as well as favorable mix.
- Operating income declined 20%, which included items impacting comparability, a 3-point currency headwind and the impact of refranchising bottling operations. Comparable currency neutral operating income (non-GAAP) also declined 20%.

Operating Review – Six Months Ended June 28, 2024

Revenues and Volume

<i>Percent Change</i>	Concentrate Sales ¹	Price/Mix	Currency Impact	Acquisitions, Divestitures and Structural Changes, Net	Reported Net Revenues	Organic Revenues ²	Unit Case Volume ³
Consolidated	2	11	(6)	(4)	3	13	2
Europe, Middle East & Africa	0	23	(21)	0	2	23	1
Latin America	4	21	(10)	0	15	25	4
North America	0	9	0	0	9	9	(1)
Asia Pacific	3	2	(5)	1	1	5	1
Global Ventures ⁴	2	(2)	1	0	2	1	2
Bottling Investments	7	6	(3)	(26)	(16)	13	(17)

Operating Income and EPS

<i>Percent Change</i>	Reported Operating Income	Items Impacting Comparability	Currency Impact	Comparable Currency Neutral Operating Income ²
Consolidated	(17)	(23)	(10)	15
Europe, Middle East & Africa	3	1	(19)	21
Latin America	13	3	(13)	23
North America	(22)	(31)	0	9
Asia Pacific	5	4	(5)	6
Global Ventures	14	3	1	9
Bottling Investments	(3)	0	(3)	0

<i>Percent Change</i>	Reported EPS	Items Impacting Comparability	Currency Impact	Comparable Currency Neutral EPS ²
Consolidated	(1)	(8)	(9)	16

Note: Certain rows may not add due to rounding.

¹ For Bottling Investments, this represents the percent change in net revenues attributable to the increase (decrease) in unit case volume computed based on total sales (rather than average daily sales) in each of the corresponding periods after considering the impact of structural changes, if any.

² Organic revenues, comparable currency neutral operating income and comparable currency neutral EPS are non-GAAP financial measures. Refer to the Reconciliation of GAAP and Non-GAAP Financial Measures section.

³ Unit case volume is computed based on average daily sales.

⁴ Due to the combination of multiple business models in the Global Ventures operating segment, the composition of concentrate sales and price/mix may fluctuate materially from period to period. Therefore, the company places greater focus on revenue growth as the best indicator of underlying performance of the Global Ventures operating segment

Outlook

The 2024 outlook information provided below includes forward-looking non-GAAP financial measures, which management uses in measuring performance. The company is not able to reconcile full-year 2024 projected organic revenues (non-GAAP) to full-year 2024 projected reported net revenues, full-year 2024 projected comparable net revenues (non-GAAP) to full-year 2024 projected reported net revenues, full-year 2024 projected underlying effective tax rate (non-GAAP) to full-year 2024 projected reported effective tax rate, full-year 2024 projected comparable currency neutral EPS (non-GAAP) to full-year 2024 projected reported EPS, or full-year 2024 projected comparable EPS (non-GAAP) to full-year 2024 projected reported EPS without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the exact timing and exact impact of acquisitions, divestitures and structural changes throughout 2024; the exact timing and exact amount of items impacting comparability throughout 2024; and the exact impact of fluctuations in foreign currency exchange rates throughout 2024. The unavailable information could have a significant impact on the company's full-year 2024 reported financial results.

Full Year 2024

The company expects to deliver organic revenue (non-GAAP) growth of 9% to 10%, which consists of operating performance at the high end of the company's long-term growth model and the anticipated pricing impact of a number of markets experiencing intense inflation. — *Updated*

For comparable net revenues (non-GAAP), the company expects a 5% to 6% currency headwind based on the current rates and including the impact of hedged positions. Comparable EPS (non-GAAP) percentage growth is expected to include an 8% to 9% currency headwind based on the current rates and including the impact of hedged positions. The majority of currency headwinds are due to currency devaluation resulting from intense inflation. — *Updated*

For comparable net revenues (non-GAAP), the company expects a 4% to 5% headwind from acquisitions, divestitures and structural changes. Comparable EPS (non-GAAP) is expected to include a 1% to 2% headwind from acquisitions, divestitures and structural changes. — *Updated*

The company's underlying effective tax rate (non-GAAP) is estimated to be 19.0%. This does not include the impact of ongoing tax litigation with the U.S. Internal Revenue Service, if the company were not to prevail. — *No Update*

The company expects to deliver comparable currency neutral EPS (non-GAAP) growth of 13% to 15%. — *Updated*

The company expects comparable EPS (non-GAAP) growth of 5% to 6%, versus \$2.69 in 2023. — *Updated*

The company expects to generate free cash flow (non-GAAP) of approximately \$9.2 billion through cash flow from operations of approximately \$11.4 billion, less capital expenditures of approximately \$2.2 billion. This does not include any potential payments related to ongoing tax litigation with the IRS. — *No Update*

Third Quarter 2024 Considerations — *New*

Comparable net revenues (non-GAAP) are expected to include an approximate 4% currency headwind based on the current rates and including the impact of hedged positions, in addition to a 4% to 5% headwind from acquisitions, divestitures and structural changes.

Comparable EPS (non-GAAP) percentage growth is expected to include an approximate 8% currency headwind based on the current rates and including the impact of hedged positions, in addition to a 1% to 2% headwind from acquisitions, divestitures and structural changes.

Notes

- All references to growth rate percentages and share compare the results of the period to those of the prior year comparable period, unless otherwise noted.
- All references to volume and volume percentage changes indicate unit case volume, unless otherwise noted. All volume percentage changes are computed based on average daily sales, unless otherwise noted. "Unit case" means a unit of measurement equal to 192 U.S. fluid ounces of finished beverage (24 eight-ounce servings),

with the exception of unit case equivalents for Costa non-ready-to-drink beverage products which are primarily measured in number of transactions. “Unit case volume” means the number of unit cases (or unit case equivalents) of company beverages directly or indirectly sold by the company and its bottling partners to customers or consumers.

- “Concentrate sales” represents the amount of concentrates, syrups, beverage bases, source waters and powders/minerals (in all instances expressed in unit case equivalents) sold by, or used in finished beverages sold by, the company to its bottling partners or other customers. For Costa non-ready-to-drink beverage products, “concentrate sales” represents the amount of beverages, primarily measured in number of transactions (in all instances expressed in unit case equivalents) sold by the company to customers or consumers. In the reconciliation of reported net revenues, “concentrate sales” represents the percent change in net revenues attributable to the increase (decrease) in concentrate sales volume for the geographic operating segments and the Global Ventures operating segment after considering the impact of structural changes, if any. For the Bottling Investments operating segment, this represents the percent change in net revenues attributable to the increase (decrease) in unit case volume computed based on total sales (rather than average daily sales) in each of the corresponding periods after considering the impact of structural changes, if any. The Bottling Investments operating segment reflects unit case volume growth for consolidated bottlers only.
- “Price/mix” represents the change in net operating revenues caused by factors such as price changes, the mix of products and packages sold, and the mix of channels and geographic territories where the sales occurred.
- First quarter 2024 financial results were impacted by one less day as compared to first quarter 2023, and fourth quarter 2024 financial results will be impacted by two additional days as compared to fourth quarter 2023. Unit case volume results for the quarters are not impacted by the variances in days due to the average daily sales computation referenced above.

Conference Call

The company is hosting a conference call with investors and analysts to discuss second quarter operating results today, July 23, 2024, at 8:30 a.m. ET. The company invites participants to listen to a live webcast of the conference call on the company’s website, <http://www.coca-colacompany.com>, in the “Investors” section. An audio replay in downloadable digital format and a transcript of the call will be available on the website within 24 hours following the call. Further, the “Investors” section of the website includes certain supplemental information and a reconciliation of non-GAAP financial measures to the company’s results as reported under GAAP, which may be used during the call when discussing financial results.

Contacts:

Investors and Analysts: Robin Halpern, koinvestorrelations@coca-cola.com

Media: Scott Leith, sleith@coca-cola.com