



# Financial Modeling Call

February 9, 2017

# Forward-Looking Statements

This presentation may contain statements, estimates or projections that constitute “forward-looking statements” as defined under U.S. federal securities laws. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from The Coca-Cola Company’s historical experience and our present expectations or projections. These risks include, but are not limited to, obesity concerns; water scarcity and poor quality; evolving consumer preferences; increased competition and capabilities in the marketplace; product safety and quality concerns; perceived negative health consequences of certain ingredients, such as non-nutritive sweeteners and biotechnology-derived substances, and of other substances present in our beverage products or packaging materials; an inability to be successful in our innovation activities; increased demand for food products and decreased agricultural productivity; changes in the retail landscape or the loss of key retail or foodservice customers; an inability to expand operations in emerging and developing markets; fluctuations in foreign currency exchange rates; interest rate increases; an inability to maintain good relationships with our bottling partners; a deterioration in our bottling partners’ financial condition; increases in income tax rates, changes in income tax laws or unfavorable resolution of tax matters; increased or new indirect taxes in the United States or in one or more other major markets; increased cost, disruption of supply or shortage of energy or fuels; increased cost, disruption of supply or shortage of ingredients, other raw materials or packaging materials; changes in laws and regulations relating to beverage containers and packaging; significant additional labeling or warning requirements or limitations on the marketing or sale of our products; an inability to protect our information systems against service interruption, misappropriation of data or breaches of security; unfavorable general economic conditions in the United States; unfavorable economic and political conditions in international markets; litigation or legal proceedings; failure to adequately protect, or disputes relating to, trademarks, formulae and other intellectual property rights; adverse weather conditions; climate change; damage to our brand image and corporate reputation from negative publicity, even if unwarranted, related to product safety or quality, human and workplace rights, obesity or other issues; changes in, or failure to comply with, the laws and regulations applicable to our products or our business operations; changes in accounting standards; an inability to achieve our overall long-term growth objectives; deterioration of global credit market conditions; default by or failure of one or more of our counterparty financial institutions; an inability to timely implement our previously announced actions to reinvigorate growth, or to realize the economic benefits we anticipate from these actions; failure to realize a significant portion of the anticipated benefits of our strategic relationship with Monster Beverage Corporation; an inability to renew collective bargaining agreements on satisfactory terms, or we or our bottling partners experience strikes, work stoppages or labor unrest; future impairment charges; multi-employer plan withdrawal liabilities in the future; an inability to successfully integrate and manage our Company-owned or -controlled bottling operations; an inability to successfully manage our refranchising activities; an inability to successfully manage the possible negative consequences of our productivity initiatives; an inability to attract or retain a highly skilled workforce; global or regional catastrophic events; and other risks discussed in our Company’s filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 31, 2015, and our subsequently filed Quarterly Reports on Form 10-Q, which filings are available from the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Coca-Cola Company undertakes no obligation to publicly update or revise any forward-looking statements.

## Reconciliation to U.S. GAAP Financial Information

The following presentation may include certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934. A schedule is posted on the Company’s website at [www.coca-colacompany.com](http://www.coca-colacompany.com) (in the “Investors” section) which reconciles our results as reported under Generally Accepted Accounting Principles and the non-GAAP financial measures included in the following presentation.

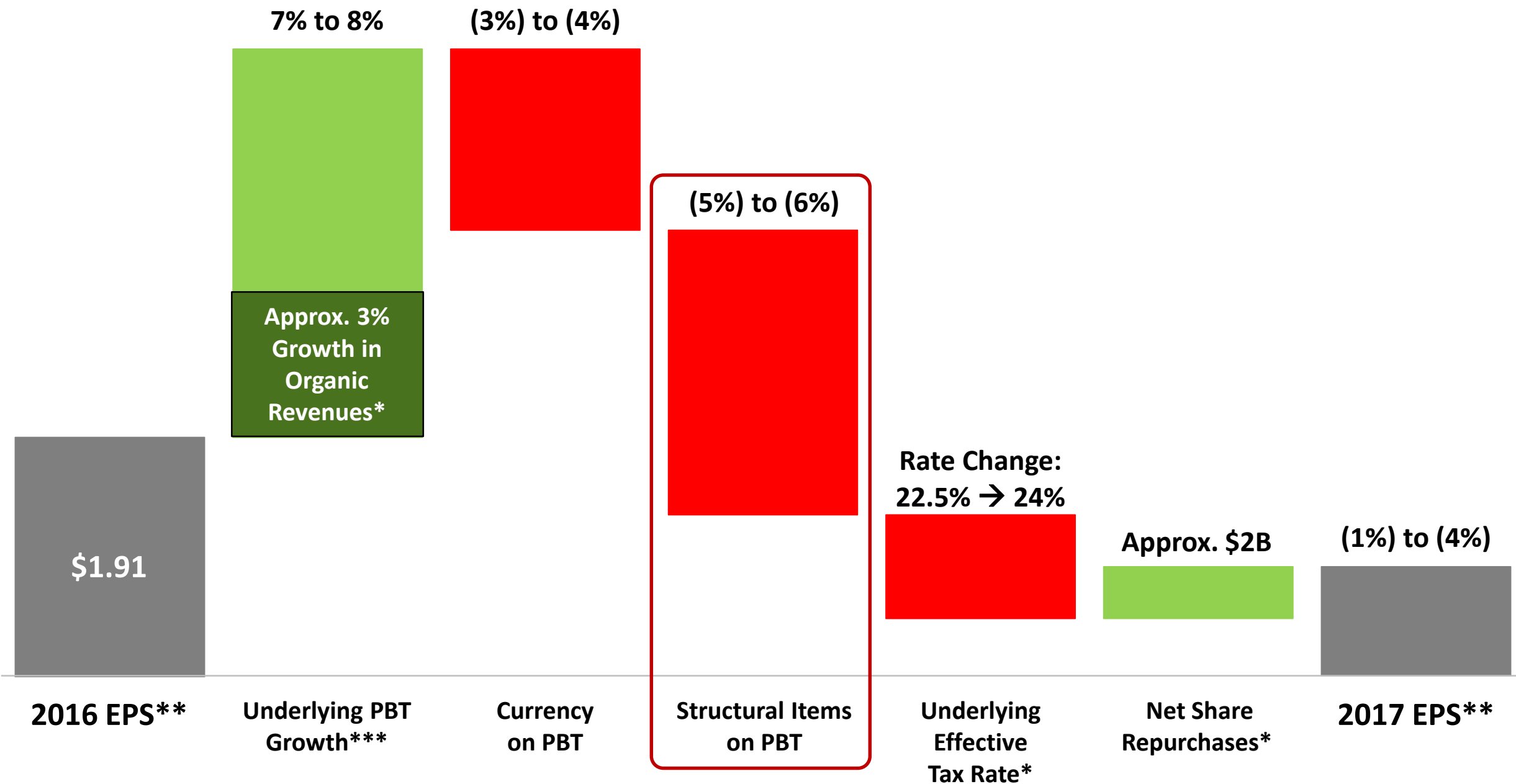


# Topics for Discussion

- Scope for the Call
- Timing of Structural Items
- Structural Items P&L Impact



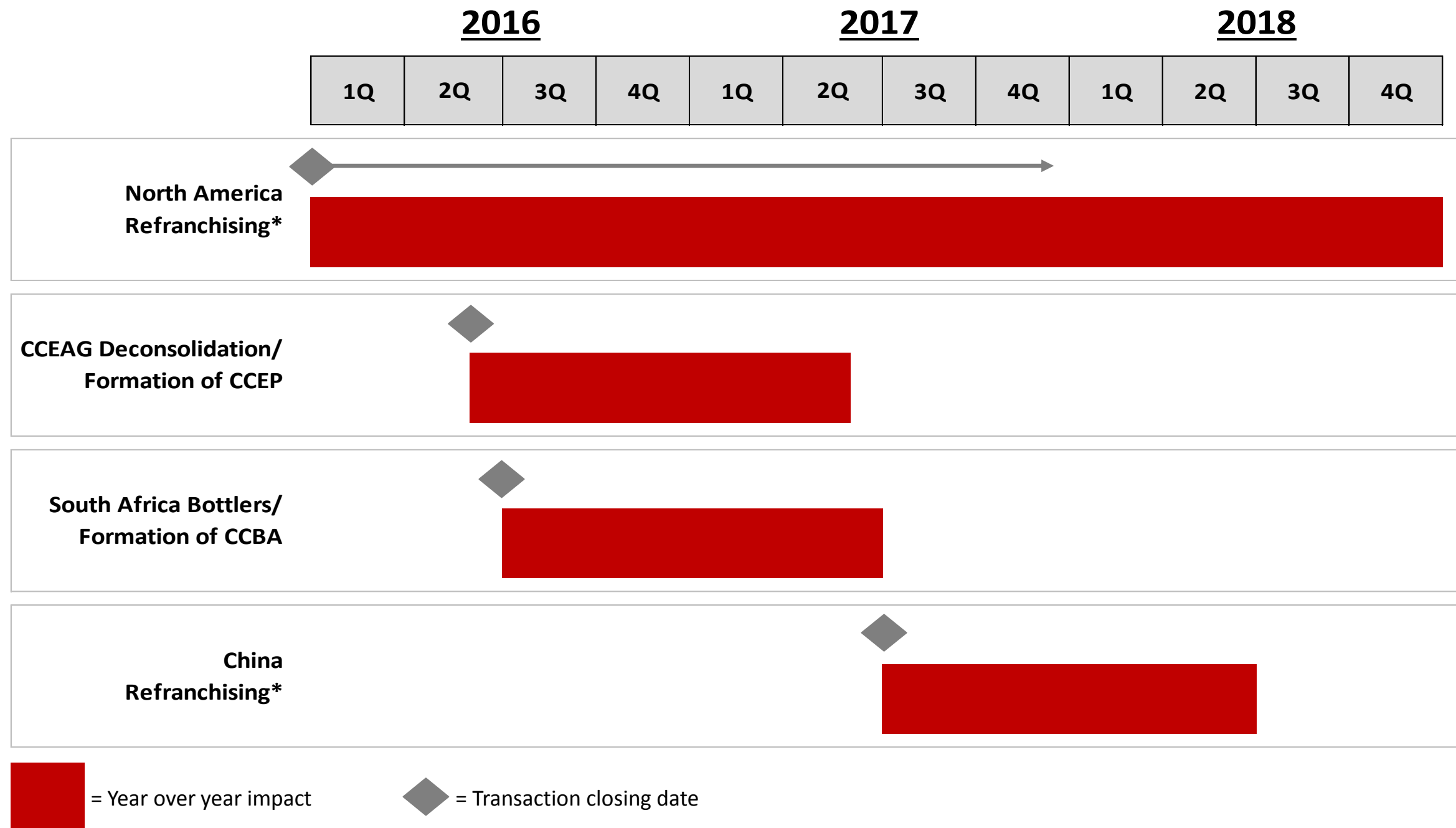
# Our Focus for Today: Guidance on Structural Items



Note: Chart is not to scale and is presented for illustrative purposes only.  
 \*Non-GAAP  
 \*\*Comparable (non-GAAP)  
 \*\*\*Represents comparable currency neutral income before tax (structurally adjusted) (non-GAAP) 2017 growth outlook



# Timing of Transactions Impact



# A Few Points to Keep in Mind



**Outlook represents our best estimates as of today**

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**Timing of refranchising transactions is subject to change**

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**Any changes in 2017 timing will have a corresponding 2018 impact**

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**“Geographic segments\*” will not be a new reporting entity or segment**



# 2017 Estimated Acquisitions, Divestitures, and Structural Items Impact: Top and Bottom Line

	<b>CONSOLIDATED</b>	
<b>Net Revenues</b>	<b>(18%) to (19%)**</b>	<ul style="list-style-type: none"> <li>Combination of Bottling Investments (“BIG”) reduction and corresponding benefit in Eliminations, partially offset by sub-bottling payments and intercompany profit elimination benefits in geographic segments*</li> </ul>
<b>Income Before Tax</b>	<b>(5%) to (6%)***</b>	<ul style="list-style-type: none"> <li>Top-line impact flowing down to the bottom line, partially offset by incremental equity income in BIG and sub-bottling payments in geographic segments*</li> </ul>

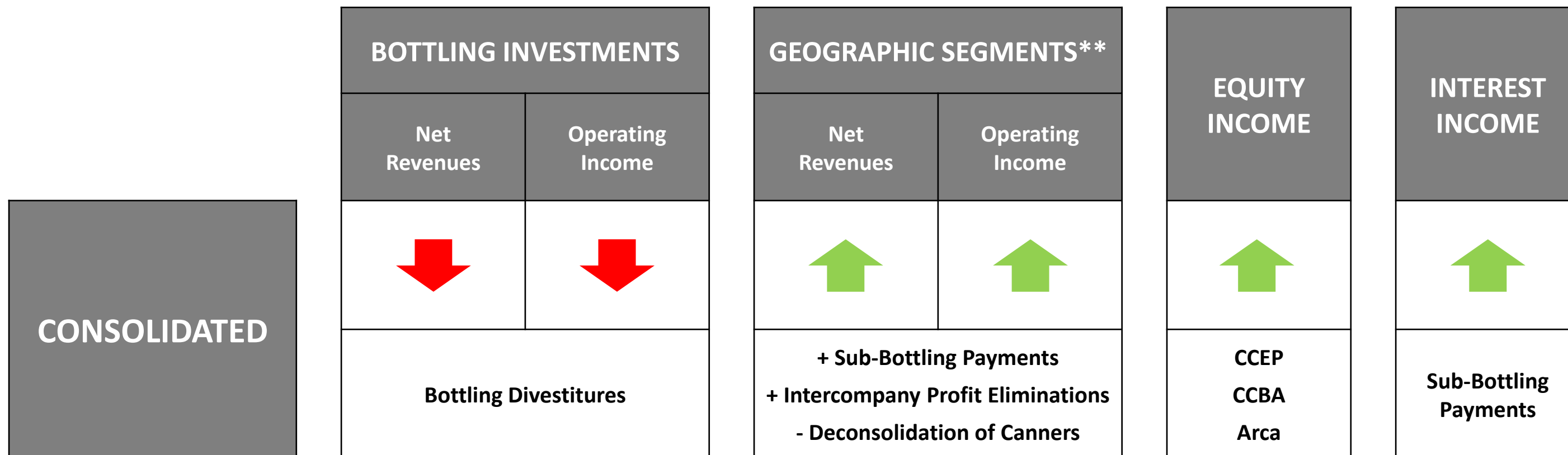
\*“Geographic Segments” represents the combination of the Europe, Middle East & Africa; Latin America; North America; Asia Pacific; and Corporate operating segments

\*\*Acquisitions, divestitures, and structural items impact based on 2016 comparable full year results

\*\*\*Structural items impact based on 2016 comparable full year results. Outlook is exclusive of approximately 2pp benefit from elimination of stranded costs.



# 2017 P&L Estimated Impact By Transaction\*



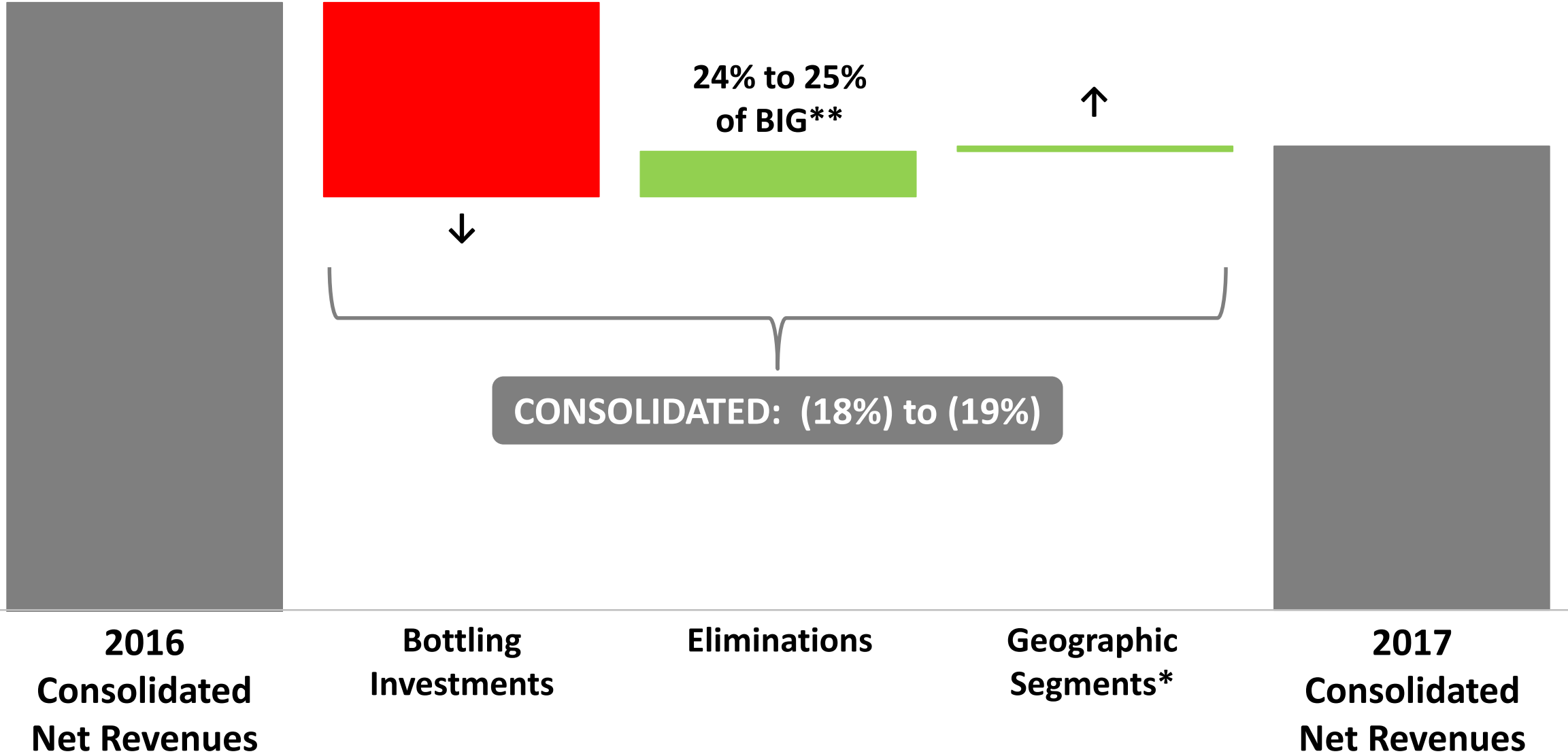
\*Impact on net revenues is from acquisitions, divestitures, and structural items. Impact on all other line items presented is from structural items.

\*\*"Geographic Segments" represents the combination of the Europe, Middle East & Africa; Latin America; North America; Asia Pacific; and Corporate operating segments





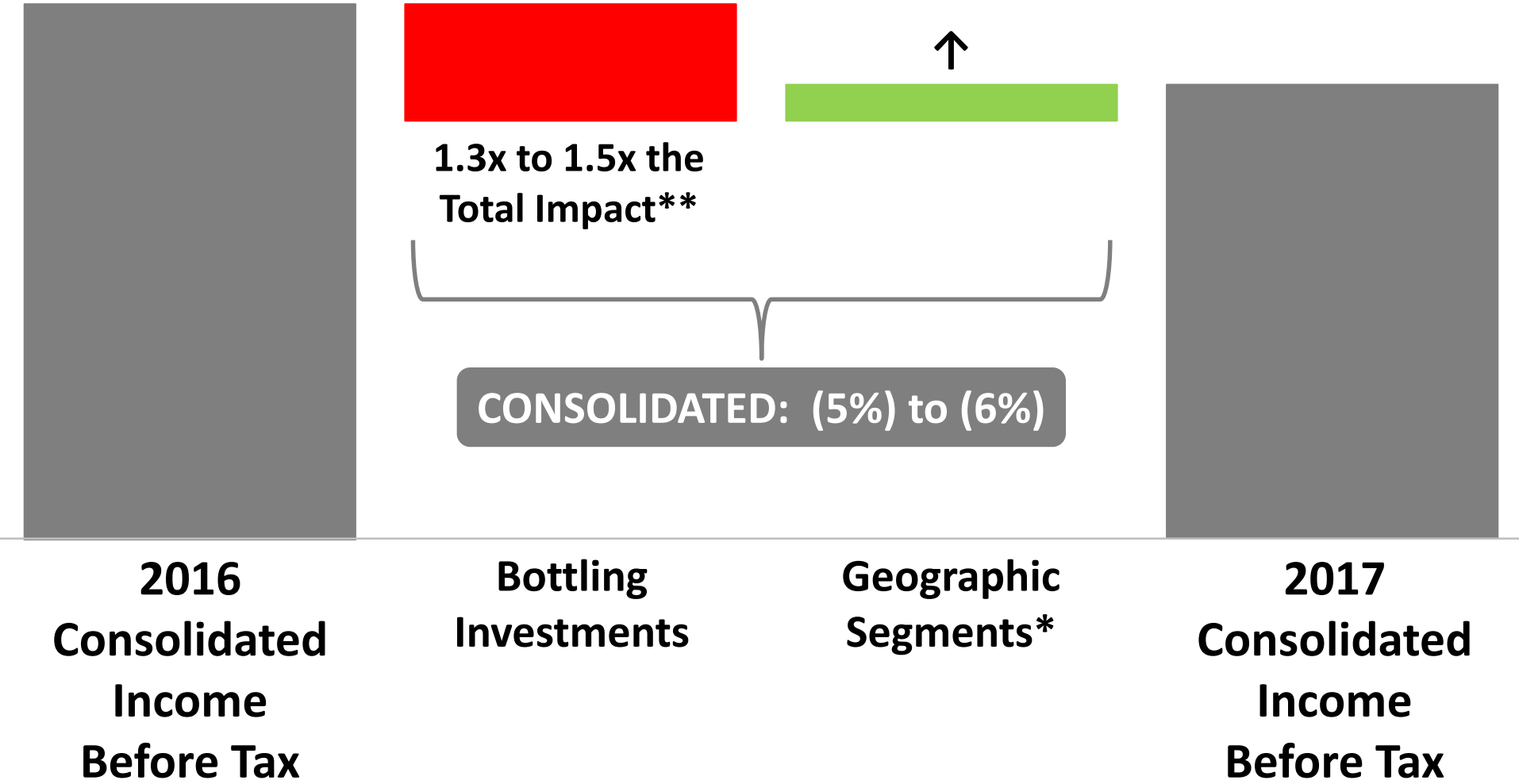
# 2017 Estimated Acquisitions, Divestitures, and Structural Items on Net Revenues: Impact by Segment



Note: Chart is not to scale and is presented for illustrative purposes only.  
 \*"Geographic Segments" represents the combination of the Europe, Middle East & Africa; Latin America; North America; Asia Pacific; and Corporate operating segments  
 \*\*Reference is to illustrate that eliminations have historically been equivalent to approximately 24-25% of Bottling Investments net revenues



# 2017 Estimated Structural Items on Income Before Tax: Impact by Segment



Note: Chart is not to scale and is presented for illustrative purposes only.

\*"Geographic Segments" represents the combination of the Europe, Middle East & Africa; Latin America; North America; Asia Pacific; and Corporate operating segments

\*\*Reference is to illustrate that structural impact on the Bottling Investments segment is estimated to be 1.3-1.5x of the structural impact to the total Company



# 2018 Estimated Acquisitions, Divestitures, and Structural Items Impact: Top and Bottom Line

	<b>CONSOLIDATED</b>	
<b>Net Revenues</b>	<b>(16%) to (17%)**</b>	<ul style="list-style-type: none"> <li>Combination of BIG reduction and cycling of intercompany profit elimination benefits in geographic segments*, partially offset by corresponding benefit in Eliminations and sub-bottling payments in the geographic segments</li> </ul>
<b>Income Before Tax</b>	<b>(1%) to (2%)***</b>	<ul style="list-style-type: none"> <li>Top-line impact flowing down to the bottom line, partially offset by equity income in BIG and sub-bottling payments in geographic segments*</li> </ul>

\*"Geographic Segments" represents the combination of the Europe, Middle East & Africa; Latin America; North America; Asia Pacific; and Corporate operating segments

\*\*Acquisitions, divestitures, and structural items impact based on forecasted 2017 comparable full year results

\*\*\*Structural impact based on forecasted 2017 comparable full year results



# Other Considerations for 2018

## Currency


- Low single-digit currency headwind on income before tax based on the current spot rates and including the impact of hedged positions
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## Tax

- Underlying effective tax rate expected to be 26% (does not include any impact from potential tax reform in the U.S. or abroad)



# 2017 Balance Sheet: Implications for Invested Capital

	<u>2015*</u>	Updates During 2016	<u>2016*</u>	Considerations Going Forward	<u>2017</u>
<b>Invested Capital</b>	<b>\$50B</b>	<ul style="list-style-type: none"> <li>• CCR asset base</li> <li>• CCEP</li> <li>• CCBA</li> </ul>	<b>\$47B</b>	<ul style="list-style-type: none"> <li>• CCR asset base</li> <li>• Transaction with Arca Continental</li> <li>• China transaction</li> </ul>	

\*Invested capital is calculated based on the following line-items from the GAAP balance sheets as of 12/31/15 and 12/31/16: Total Equity + Long-Term Debt + Current maturities of long-term debt + Loans and notes payable - Total Cash, Cash Equivalents and Short-Term Investments - Marketable securities





# Appendix: Outlook Summary – Full Year 2017

	Underlying Performance*	Currency Impact	Acquisitions, Divestitures, and Structural Items Impact*	Comparable**
Net Revenues	Approx. +3%	-1pp to -2pp	-18pp to -19pp	
Operating Income	"Strong operating performance"			
Net Interest	"Increasing interest rate environment"			
Income Before Tax	+7% to +8%***	-3pp to -4pp	-5pp to -6pp	
Underlying Effective Tax Rate				24%
Net Share Repurchases				~\$2B
Net Capital Expenditures				\$2B to \$2.5B

\*Impact on net revenues is from acquisitions, divestitures, and structural items. Impact on income before tax is from structural items.

\*\*Non-GAAP

\*\*\*Inclusive of approximately 2pp benefit from elimination of stranded costs



# Appendix: Outlook Summary – First Quarter 2017

	Currency Impact	Acquisitions, Divestitures, and Structural Items Impact*
Net Revenues	-1pp to -2pp	-12pp to -13pp
Income Before Tax	-3pp to -4pp	-1pp to -2pp
Other	<p>Two fewer days when compared to first quarter 2016</p> <p>Easter shift from first quarter in 2016 to second quarter in 2017</p>	





# Appendix: Outlook Summary – Full Year 2018

	Currency Impact	Acquisitions, Divestitures, and Structural Items Impact*	Comparable**
Net Revenues		-16pp to -17pp	
Income Before Tax	Low Single-Digit Headwind	-1pp to -2pp	
Underlying Effective Tax Rate			26%

\*Impact on net revenues is from acquisitions, divestitures, and structural items. Impact on income before tax is from structural items.

\*\*Non-GAAP

