



The Coca-Cola Company

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Figure 1: Historical Stock Return Performance

	Total Returns	Annualized Returns
	Coca-Cola	Coca-Cola
2-Year	-14.1%	-7.3%
3-Year	88.8%	23.6%
5-Year	145.2%	19.6%
Lifetime	2,047,645,322.6% (20,476,454x MoM)	17.2%

Notes:

1. Return data from Global Financial Data, in USD.
2. Total returns include dividends reinvested.
3. The start date for the return data above is 8/29/1919, the IPO date of the Coca-Cola Company.
4. The end dates for the 2-year, 3-year, and 5-year periods are measured from the company's IPO date. The lifetime end date is as of 10/31/2025.
5. A relative returns analysis was not included in Figure 1 given that the S&P 500 index was not created until 1957.

Mental Model Summary Derived from The Coca-Cola Company

1. **We believe Coca-Cola (Coke) produces products that support a human need for sustenance (e.g. hydration). Coke's formula, which includes caffeine and sugar, stimulates consumers both psychologically and neurologically,¹ encouraging repeat purchasing. In our opinion, this effect is the reason Coke has experienced domestic and international growth within the consumer-packaged food and drink industry.**

Human survival depends on adequate fluid intake, from water and beverages alike. In 1945, the U.S. Food and Nutrition Board of the National Research Council issued its first recommendation for daily water consumption – roughly eight servings of 8-ounce glasses.² By that time, Coca-Cola had expanded its reach across the globe, while the world's population was estimated at about 2.3 billion.³ If every person consumed the recommended eight servings of fluids per day, the whole world would collectively drink more than 18 billion servings daily, or about 6.7 trillion annually.⁴ Even assuming just one-eighth of those servings came from carbonated beverages, the total would approach 840 billion servings of 8-ounce per year. Coca-Cola did not publish its unit sales figures at that time or prior, but the beverage typically sold for five cents a 6.5 ounce serving around that period, equivalent to approximately 6.2 cents per 8 ounce serving. We estimated that if the company's addressable market had captured even one of the eight daily servings of fluid intake per person, the theoretical market size would have been worth roughly \$52 billion in 1945 alone.⁵

By 2024, the global soft-drink market, which includes carbonated beverages, juices, bottled water, functional drinks, concentrates, ready-to-drink tea and coffee, and various Asian specialty drinks, had grown to roughly \$1.1 trillion.⁶ Data shows that the Coca-Cola Company's market share by 2020 reached 47% in carbonated drinks, followed distantly by PepsiCo at 19%; its market share in the total soft drink market, which includes bottled water, reached

¹ Why Soda is so Addictive? CNN. <https://www.cnn.com/2019/10/28/health/soda-soft-drinks-addictive-drayer-food-wellness>

² Stookey JD, Kavouras SA. Water Researchers Do Not Have a Strategic Plan for Gathering Evidence to Inform Water Intake Recommendations to Prevent Chronic Disease. Nutrients. 2020 Oct 31;12(11):3359. doi: 10.3390/nu12113359. PMID: 33142720; PMCID: PMC7692653.

³ Historical Estimates of World Population. <https://www.census.gov/data/tables/time-series/demo/international-programs/historical-est-worldpop.html>

⁴ 2.3 billion of population each having eight servings of fluid intake for 365 days.

⁵ 840 billion servings times 6.2 cents.

⁶ Innovation and Functionality Drive Global Soft Drinks Market to USD1.1 Trillion. <https://www.euromonitor.com/newsroom/press-releases/june-2025/innovation-and-functionality-drive-global-soft-drinks-market-to-usd1.1-trillion>; The World Market for Soft Drinks. <https://www.euromonitor.com/the-world-market-for-soft-drinks/report>

21%, followed by PepsiCo at 10%.⁷ The Coca-Cola Company remains the largest player of carbonated drinks on every major continental market from Asia, America, EMEA, to Oceania.

Over the century since Coca-Cola was invented in 1886, the carbonated soft drink category expanded dramatically. Estimates suggest U.S. per-capita soft-drink consumption rose from roughly 0.5 gallon in 1909 to more than 42 gallons as of 2024,⁸ implying nearly 4% CAGR.

Studies suggest that many soda beverages, including Coca-Cola, are deliberately engineered to engage the human brain's reward systems and encourage repeat consumption. According to a neuroscientist at Ohio State University, today's soft drinks are formulated with a balance of sugar, caffeine, and carbonation designed to make people reach for another serving.⁹ Together, these ingredients activate multiple reward pathways in the brain. First, sugar triggers a rapid dopamine surge in the brain's reward center, producing a brief sense of pleasure.¹⁰ A standard 12-ounce can of Coca-Cola contains 39 grams of sugar, more than the American Heart Association's recommended daily limit of 36 grams for men and 25 grams for women.¹¹ Second, caffeine is a psychoactive stimulant with its own dopamine-linked reinforcement. It sharpens alertness and energy, and regular use can create dependence, skipping it might make people feel withdrawal such as headaches and a lack of focus, which nudges them to get another one. Third, carbonation in the soda is not just texture. The bubbles add acidity that amplifies the euphoric "reward" feeling and slightly mutes perceived sweetness,¹² encouraging you to drink more to chase the taste. That same fizz can intensify cravings even in diet sodas.¹³ Ritual cues (hearing the can pop, fizz, "diet" labeling) further pre-activate dopamine, and genetics may play a role that some variants are linked to higher intake of sweetened beverages. **Put together – fast dopamine from sugar, stimulant reinforcement from caffeine, craving-boosting fizz, expectancy mismatches with artificial sweeteners, powerful rituals, and some genetic tilt – soda becomes a reinforcing habit for consumers.**

We believe the universal appeal of the original Coca-Cola flavor also sets it apart from many other foods and beverages, many of which often struggle to gain acceptance outside their home markets. While certain snacks or drinks with distinctive regional flavors may thrive in one market but fail in another, for whatever reason (perhaps Coca-Cola's balanced combination of sweetness, unique flavor, and fizziness), Coca-Cola resonates with consumers across cultures and geographies. Combined with its global distribution network and decades of marketing, Coca-Cola is ubiquitous – from small street stores to massive stadiums. This versatility enables Coca-Cola, in our opinion, to transcend geographic and cultural boundaries, making it one of the most widely consumed beverages in the world.

2. **The Coca-Cola Company has very high profit margins (often the case in beverages) and requires little invested capital due to their highly capital efficient bottler franchising model.**¹⁴ The company has had average gross margin of 55% and net margins of 15% from the 1920s to 2024 with high return on capitals, an average ROTCE of 86% and ROIC of 22% from the 1920s to 2024.¹⁵ The company operates an asset-light model (i.e., franchising bottlers) that allows the company to pass on most production costs of carbonated soft drinks, about 90%,¹⁶ to local bottlers, while it focuses on producing the essential ingredient – syrup – and marketing.

⁷ Wood, B., Baker, P., Scrinis, G. et al. Maximising the wealth of few at the expense of the health of many: a public health analysis of market power and corporate wealth and income distribution in the global soft drink market. *Global Health* 17, 138 (2021).

<https://doi.org/10.1186/s12992-021-00781-6>

⁸ Sundborn G, Thornley S, Merriman TR, Lang B, King C, Lanaspas MA, Johnson RJ. Are Liquid Sugars Different from Solid Sugar in Their Ability to Cause Metabolic Syndrome? *Obesity* (Silver Spring). 2019 Jun;27(6):879-887. doi: 10.1002/oby.22472. Epub 2019 May 4. PMID: 31054268; Per Capita Soft Drink Consumption. IBISWorld. <https://www.ibisworld.com/united-states/food-and-beverage/per-capita-soft-drink-consumption/1786/>

⁹ Why Soda is so Addictive? CNN. <https://www.cnn.com/2019/10/28/health/soda-soft-drinks-addictive-drayer-food-wellness>

¹⁰ Ahmed SH, Guillem K, Vandaele Y. Sugar addiction: pushing the drug-sugar analogy to the limit. *Curr Opin Clin Nutr Metab Care*. 2013 Jul;16(4):434-9. doi: 10.1097/MCO.0b013e328361c8b8. PMID: 23719144.

¹¹ Added Sugars. American Heart Association. <https://www.cnn.com/2019/10/28/health/soda-soft-drinks-addictive-drayer-food-wellness>

¹² In Search of a Role for Carbonation: Is This a Good or Bad Taste? Sternini, Catia. *Gastroenterology*, Volume 145, Issue 3, 500 – 503.

¹³ Why Soda is so Addictive? CNN. <https://www.cnn.com/2019/10/28/health/soda-soft-drinks-addictive-drayer-food-wellness>

¹⁴ Derived from The Coca-Cola Company Annual Report 1920 – 2024

¹⁵ Derived from The Coca-Cola Company Annual Report 1920 – 2024

¹⁶ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

Coke also operates in an ecosystem where its bottlers enjoy their local markets over time as they face no competition from other Coca-Cola bottlers due to exclusive territorial rights.

The Coca-Cola Company pioneered an innovative, in our opinion, franchising model for its bottling operations in 1899, an area traditionally requiring heavy capital investment, by partnering with local independent bottlers. We believe this forward-thinking approach gave Coca-Cola a competitive edge, as rival Pepsi did not begin franchising until 1905,¹⁷ by which time Coca-Cola already had over 120 bottlers in operation as of 1904.¹⁸

The perpetual and exclusive nature of these bottling rights incentivized local bottlers, from our perspective, to market Coca-Cola without worrying about competing bottlers benefiting from their efforts because there was none. By 1940, Coca-Cola dominated the carbonated soft drink market, accounting for roughly half of total U.S. sales.¹⁹

Unlike traditional manufacturers that own extensive production facilities, the Coca-Cola Company developed an asset-light system centered on brand ownership and syrup production. **The company produces concentrates, beverage bases, and syrups while owning its brands and global marketing.** Independent bottling partners handle manufacturing, packaging, merchandising, and local distribution to retailers, restaurants, and venues, executing localized strategies in partnership with the company.²⁰ **According to a 1999 report by the Federal Trade Commission and Bureau of Economics, syrup accounts for roughly 10% of the total cost of a finished carbonated soft drink.²¹ This implies that bottlers typically bear about 90% of the cost of producing a serving of Coca-Cola, highlighting the capital-intensive nature of their role within the system.** This structure allows the Coca-Cola Company to capture value from a global network of physical assets without directly owning or financing them. It effectively separates the brand and intellectual property business from the operational complexity of beverage production and distribution. The scale of this dynamic is evident in the modern workforce: **as of 2024, the Coca-Cola Company employed about 69,700 people, while the broader Coca-Cola system, including bottling partners, employed over 700,000.**²² Together, the system generates an estimated \$175 billion in annual revenue,²³ of which the company itself accounts for \$47 billion, or roughly 27% of the total, with just 10% of the workforce.

The benefits, we believe, of this franchised structure are evident when comparing returns across the system. For instance, we estimated that, over the two decades from 2005 to 2024, Coca-Cola Consolidated, the largest U.S. bottler,²⁴ achieved an estimated average ROTCE of 23% and a median of 19%, with an average ROIC about 7% and a median of 5%; Coca-Cola FEMSA, the largest Coca-Cola bottler in the world by sales volume and accounted for about 12.5% of the system's global sales volume in 2024,²⁵ was estimated to have achieved both an average and median ROTCE of roughly 51% with an average and median ROIC of around 11%. By comparison, during this period, we estimated that the Coca-Cola Company achieved an average ROTCE of 103%, a median of 75%, and an average ROIC in the mid-teen range.²⁶ This difference, from our perspective, illustrates how the company's asset-light model enables it to leverage an enormous industrial footprint while maintaining a lean structure.

¹⁷ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

¹⁸ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

¹⁹ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

²⁰ The Coca-Cola System. <https://www.coca-colacompany.com/about-us/coca-cola-system>

²¹ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

²² About Us. The Coca-Cola Company. <https://www.coca-colacompany.com/about-us>; The Coca-Cola Company Annual Report 2024.

²³ The Coca-Cola Company Proxy Statement 2025.

²⁴ About Us - Coca-Cola Consolidated. <https://www.cokeconsolidated.com/about-us/>

²⁵ Coca-Cola FEMSA 20-F 2024.

²⁶ Derived from The Coca-Cola Company Annual Report 1920 – 2024

As of 2024, bottling agreements between the Coca-Cola Company and its authorized bottlers are typically of stated duration and subject to renewal. Under most agreements, the company retains full discretion to set the prices and terms of the concentrates and syrups it sells. Coca-Cola uses an incidence-based concentrate pricing model in most markets, in which concentrate prices are influenced by factors such as bottler pricing, sales channels, and package mix, as well as other factors. Bottlers, in turn, have discretion to set retail prices within their authorized territories.²⁷ A few legacy agreements, such as those signed before 1978, remain perpetual and use older pricing formulas tied to sugar or sweetener costs.²⁸ These agreements limit the company's flexibility, as the base price may only be adjusted periodically (i.e., quarterly), up to an indexed ceiling, based on fluctuations in input costs.

3. **The Coca-Cola Company has pursued a happiness-centric, global marketing strategy that ties its brand to positive emotions and joyful experiences. It has also tailored its messaging to fit local cultural contexts. The company strives to cultivate the image of a timeless beverage that anyone, regardless of background or status, can enjoy at a low price point (Coke was famously 5 cents a bottle from 1886 to the 1950s). Over time, the brand, in our opinion, has positioned itself through marketing efforts to embody themes of happiness, togetherness, and human achievement, all at an affordable and accessible price point, as well as American prosperity.**

In the first half of the 20th century, Coca-Cola's advertising focused heavily on refreshment and satisfying thirst. Slogans such as "Thirst Knows No Season" in 1922, "Enjoy Thirst" in 1923, "It Had to Be Good to Get Where It Is" in 1926, and "Thirst Asks Nothing More" in 1939 reflected this emphasis.²⁹ **These messages were often paired with cheerful imagery – smiling people enjoying a bottle of Coke – symbolizing the joy and satisfaction they intended to portray came with each sip. Through this consistent messaging, Coca-Cola established itself, in our opinion, not just as a beverage, but as a simple pleasure that brought happiness into everyday life, all at a very low price point that many people can afford – "happiness in a bottle."**

As the Coca-Cola Company expanded worldwide, its brand evolved beyond refreshment to embrace, in our opinion, universal human values. Its mission statements such as "to refresh the world" and "to inspire moments of optimism and happiness"³⁰ reflect aspirations that transcend just beverages. Campaigns such as "Have a Coke and a Smile" in 1979 and "Open Happiness" in 2009³¹ embodied these ideals, using inclusive messages designed to resonate across cultures. According to Coca-Cola International Advertising's director in 2000, the goal of global marketing was to "have a common idiom, but not necessarily the same look."³² In other words, while the underlying message remained universal, execution varied to fit local cultural contexts. Regardless of setting, the message remained the same that Coca-Cola "is part of me and you, and all the things we like to do. Coca-Cola is there, part of all that we share, always good, always real, always true, Coca-Cola is It!"³³

By placing its logo and products ubiquitously and in places of celebration such as sports arenas, amusement parks, concerts, and global events, from our perspective the brand has been associated with happiness and connection. Studying consumer psychology and behavior and by rolling out marketing campaigns strategically, Coca-Cola's advertising draws on positive psychology, suggesting that enjoying a Coke is not just about taste, but about enriching life's moments, fostering emotional well-being, and sharing with others.³⁴

Coca-Cola's most iconic sporting partnership, in our opinion, began in 1928, when it became a sponsor of the Olympic Games in Amsterdam, a relationship that continues to this day, making it the longest-standing partner of the Olympic Movement. Nearly a century later, Coca-Cola continued its Olympic partnership through Paris 2024, reaching an estimated five billion viewers worldwide.³⁵

²⁷ Coca-Cola FEMSA 20-F 2024; Coca-Cola Bottling Co. Consolidated 10-K 2024.

²⁸ The Coca-Cola Company 10-K. 1993, 2024.

²⁹ History of Coca-Cola Advertising Slogans. <https://www.coca-colacompany.com/about-us/history/history-of-coca-cola-advertising-slogans>

³⁰ About Coca-Cola. <https://www.cokesolutions.com/about.html>

³¹ History of Coca-Cola Advertising Slogans. <https://www.coca-colacompany.com/about-us/history/history-of-coca-cola-advertising-slogans>

³² The Airbrushing of Culture: An Insider Looks At Global Advertising. John Hopkins University. <https://muse.jhu.edu/article/2957>

³³ The Airbrushing of Culture: An Insider Looks At Global Advertising. John Hopkins University. <https://muse.jhu.edu/article/2957>

³⁴ Coca-Cola: The Real Story Behind the Real Thing. CNBC. <https://www.cnbc.com/video/2010/02/09/coca-cola-the-real-story-behind-the-real-thing.html>

³⁵ Around 5 Billion People - 84% of the Potential Global Audience - Followed the Olympic Games Paris 2024.

World War II was a formative period, from our perspective, for the Coca-Cola Company. **As countries invested in rebuilding their economies devastated by the war, new markets opened to American goods, along with American culture.** Products such as Coca-Cola became even more popular abroad despite having been already widely accepted globally.³⁶ Some literature labeled this spread of American influence “Coca-colonization,” a term that emerged after WWII to describe the cultural and economic impact of Western capitalism on local societies. By providing drinks for the armed forces, Coca-Cola secured exemption from wartime sugar rationing.³⁷ **Pepsi-Cola, by contrast, had to source sugar outside the United States and was never able to match Coca-Cola’s deep penetration of the military market.**³⁸ This left Pepsi at a disadvantage, while Coca-Cola strengthened its wartime presence and brand recognition among millions of American troops stationed worldwide. In 1945, PepsiCo was only able to get 50% of the amount of sugar used in the base year of 1941, claiming that quota limited sales and production, and thus ultimately profits.³⁹

In 1907, Coca-Cola first featured well-known baseball players in a series of print ads, marking the beginning of its association with athletic achievement. From the baseball stars of the early 1900s to modern global icons, Coca-Cola’s partnerships have reflected a single, timeless message: wherever you are, whoever you are, the experience of sharing a Coke is something everyone can enjoy. This echoes a sentiment expressed decades earlier by artist Andy Warhol, who famously wrote in 1975:

“What’s great about this country is that America started the tradition where the richest consumers buy essentially the same things as the poorest. You can be watching TV and see Coca-Cola, and you know that the president drinks Coke, Liz Taylor drinks Coke, and just think, you can drink Coke, too. A Coke is a Coke and no amount of money can get you a better Coke than the one the bum on the corner is drinking. All the Cokes are the same and all the Cokes are good. Liz Taylor knows it, the president knows it, the bum knows it, and you know it.”⁴⁰

4. **The business at its earliest publicly available valuation date (at the time of writing) in 1920, one year after IPO, traded at a very low multiple of earnings at 4x P/E.**

³⁶ The Universal Drink. The New Yorker. <https://www.newyorker.com/magazine/1959/02/14/coca-cola-the-universal-drink>

³⁷ Viewpoints: A Brief History of Coca-Colonization. <https://web.archive.org/web/20121120082810/https://www.nytimes.com/1993/08/15/business/viewpoints-a-brief-history-of-coca-colonization.html>

³⁸ World War II and the Cola War. <https://barrydsilverstein.medium.com/world-war-ii-and-the-cola-war-c7d21b2cab80>

³⁹ PepsiCo Annual Report 1945.

⁴⁰ The History of the Coca-Cola Contour Bottle. <https://www.coca-colacompany.com/about-us/history/the-history-of-the-coca-cola-contour-bottle>

Figure 2: Valuation Metrics

Metric	Amount (\$ Million)	Multiple / Ratio Analysis
Market Cap	\$ 9.8	-
Working Capital (inc. Cash)	\$ (2.9)	-30.1% of Mkt Cap
Total Equity Value	\$ 30.7	0.3x Price/Book Value
Tangible Book Value	\$ 5.7	1.7x Price/Tangible BV
Operating Income	\$ 2.8	8.6% EBIT Margin; 3.5x P/EBIT
Est. Net Income	\$ 2.2	6.8% Net Margin; 4.4x P/E
ROE	7%	
ROTE (Return on Tangible Equity)	38%	
1-Yr. Sales CAGR	N/A	-
1-Yr. CAGR of Net Income	N/A	-

Notes:

1. Since the earliest available financial report for the Coca-Cola Company we found on the public domain is for fiscal year 1920, we assume the earliest valuation date to be December 31st, 1920.⁴¹ In addition, because the release date of the 1920 annual report is unknown, the valuation metrics presented are based on the company's estimated market value as of that date. These figures may not fully reflect the actual valuation at the time. For reference, Coca-Cola's market capitalization between January and March 1921, likely the period during which the report was released, was around \$11 million.⁴²
2. The Coca-Cola Company completed its IPO in September 1919 at a price of \$40 per share, reporting earnings of \$6.50 per share before federal taxes for the first seven months.⁴³ Assuming a 10% federal tax rate in 1919,⁴⁴ the company's P/E ratio on a run-rate basis at the time of the IPO was approximately 3.6x. Just one month before the IPO, the company was sold to its current owner for \$25 million.⁴⁵
3. The underlying data referenced in the above table was obtained from the company's 1920 annual report, the earliest financial document publicly available. Although the report provides only a condensed set of financial statements, it remains the most reliable source for this period. The 1920 report is included in the Appendix at the end of this document.
4. Warren Buffett stated in the 1993 Berkshire Hathaway Annual Shareholder Letter that "Let me add a lesson from history: Coke went public in 1919 at \$40 per share. By the end of 1920 the market, coldly reevaluating Coke's future prospects, had battered the stock down by more than 50%, to \$19.50."⁴⁶
5. At the end of 1920, the U.S. market P/E was estimated around 8x.⁴⁷
6. In the company's 1920 financial statements, only the current year's figures were disclosed, with no data from the prior year, making year-over-year comparison impossible.
7. The company's net income figures presented in the analysis were estimated based on an assumed 10% federal tax rate for 1920.⁴⁸

⁴¹ The Coca-Cola Company Annual Report 1920.

⁴² Global Financial Data.

⁴³ Details of Coca-Cola Deal: 500,000 Shares of Common Stock Soon to be Offered for Sale. The New York Times. 8/23/1919.

⁴⁴ On the public report, the company did not disclose tax separately. We estimated using the statutory corporate tax, which was 10% for corporate making over \$2,000 from 1919 to 1921. Historical Corporate Income Tax Rates & Brackets, 1909-2020.

<https://taxfoundation.org/data/all/federal/historical-corporate-tax-rates-brackets/>

⁴⁵ Coca Cola Co. Owned Here: Local Interests Pay \$25,000,000 for Atlanta Beverage Works. The New York Times. 8/1/1919.

⁴⁶ Berkshire Hathaway Shareholder Letter 1993. <https://www.berkshirehathaway.com/letters/1993.html>

⁴⁷ Shiller Data. <https://shillerdata.com/>; Getting on the Right Side of the PE Ratio Trend. CBC News.

<https://www.cbc.ca/news/business/getting-on-the-right-side-of-the-p-e-ratio-trend-1.855741>

⁴⁸ Historical Corporate Income Tax Rates & Brackets, 1909-2020. <https://taxfoundation.org/data/all/federal/historical-corporate-tax-rates-brackets/>

Company Overview

Founded in 1892 in Atlanta, Georgia, the Coca-Cola Company has grown from a small local soda fountain business into one of the most recognized and valuable brands (\$64 billion, ranked first in the Beverage category⁴⁹) in the world. In the following decades, its flagship product quickly became a symbol of American culture. Over more than a century, the company has transformed the global beverage industry, pioneering large-scale bottling, franchising, and marketing strategies that set enduring standards for international business operations. Today, the company operates in over 200 countries, has \$47 billion in revenue and over \$10 billion net profit, with a market cap of \$296 billion as of October 2025.⁵⁰

For more than a century, we believe the Coca-Cola Company has shown extraordinary adaptability, weathering two world wars, the Great Depression, shifting consumer preferences, and global competition. It pioneered large-scale bottling, franchising, and international marketing. Balancing nostalgia with innovation, the company transformed from a single-product enterprise into a diversified global beverage leader. By 2024, the company has around 200 brands across the world through both organic creation and acquisitions. Among all of its brands, 30 of them are billion-dollar brands, of which 15 were created organically, 3 were added through acquisitions, and 12 were built into billion-dollar brands after acquisitions.⁵¹

As of 2024, the Coca-Cola Company operates in over 200 countries, offering a portfolio that extends beyond its original Coca-Cola to include hundreds of brands across sparkling and still beverage categories such as Diet Coke, Costa Coffee, Dasani, Fanta, Fresca, Minute Maid, Schweppes, Sprite, and Smartwater, through both organic development and acquisitions. Its products account for approximately 2.2 billion of the 65 billion beverage servings consumed worldwide each day.⁵²

The company's iconic beverage, Coca-Cola, also known as "Coke," was created on May 8th, 1886, by Dr. John Pemberton, a local pharmacist. Carrying a jug of syrup to Jacobs' Pharmacy, Pemberton introduced what was then sold for five cents a glass as a soda fountain drink.⁵³ The formula was met with enthusiasm, quickly gaining a loyal following.

Originally promoted as an "intellectual beverage" and temperance drink, "Ideal Brain Tonic and Sovereign Remedy for Headache and Nervousness,"⁵⁴ Coca-Cola was advertised for its "therapeutic benefits" and claimed to relieve headaches, hysteria, and melancholy. Although the Coca-Cola Company nowadays claims the two Cs in the name ("Coca-Cola") for aesthetic reasons, looking good in advertising with its Spencerian script logo,⁵⁵ the name itself referred to two key ingredients: coca leaves, from which cocaine is derived, and kola nuts, a natural source of caffeine.⁵⁶ In the late 19th century, the use of cocaine in medicine was common,⁵⁷ and Coca-Cola initially contained the ingredient. As awareness of cocaine's harmful effects grew, the company drastically reduced its cocaine content, eventually eliminating it entirely by 1929.

⁴⁹ The World's Most Valuable Brands List. Forbes. <https://www.forbes.com/powerful-brands/list/>

⁵⁰ The Coca-Cola Annual Report 2024; FactSet.

⁵¹ Our Brands - The Coca-Cola Company. <https://investors.coca-colacompany.com/about/our-brands#footnoteDesc9965>

⁵² The Coca-Cola Annual Report 2024.

⁵³ The Birth of a Refreshing Idea. Coca-Cola. <https://www.coca-colacompany.com/about-us/history/the-birth-of-a-refreshing-idea>

⁵⁴ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

⁵⁵ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#timeline>

⁵⁶ Intoxicants in Society. National Library of Medicine. <https://pmc.ncbi.nlm.nih.gov/articles/PMC4879807/>

⁵⁷ Intoxicants in Society. National Library of Medicine. <https://pmc.ncbi.nlm.nih.gov/articles/PMC4879807/>

Figure 3: Coca-Cola Advertisement in Late-1800s/Early-1900s⁵⁸



⁵⁸ Coca. DEA Museum. [https://museum.dea.gov/exhibits/online-exhibits/cannabis-coca-and-poppy-natures-addictive-plants/coca;Intoxicants in Society](https://museum.dea.gov/exhibits/online-exhibits/cannabis-coca-and-poppy-natures-addictive-plants/coca;Intoxicants%20in%20Society). National Library of Medicine. <https://pmc.ncbi.nlm.nih.gov/articles/PMC4879807/>

Figure 4: Coca-Cola Advertisement 1886⁵⁹



COCA-COLA
SYRUP * AND * EXTRACT.

For Soda Water and other Carbonated Beverages.

This "INTELLECTUAL BEVERAGE" and TEMPERANCE DRINK contains the valuable TONIC and NERVE STIMULANT properties of the Coca plant and Cola (or Kola) nuts, and makes not only a delicious, exhilarating, refreshing and invigorating Beverage, (dispensed from the soda water fountain or in other carbonated beverages), but a valuable Brain Tonic, and a cure for all nervous affections — SICK HEAD-ACHE, NEURALGIA, HYSTERIA, MELANCHOLY, &c.

The peculiar flavor of COCA-COLA delights every palate; it is dispensed from the soda fountain in same manner as any of the fruit syrups.

J. S. Pemberton,
Chemist,
Sole Proprietor, Atlanta, Ga.

While Pemberton invented the drink, he never realized its commercial potential. In poor health due to chronic pain and drug addiction, he gradually sold portions of the business. According to his son's memoir, on April 14th, 1888, Asa Griggs Candler, who started to work with Pemberton as early as 1872,⁶⁰ purchased a one-third interest in the formula of then virtually completely unknown proprietary recipe of Coca-Cola. On August 30th, he became the sole proprietor of Coca-

⁵⁹ Coca-Cola Ad 1886. <https://web.archive.org/web/20130302132546/https://cdn.theatlantic.com/static/mt/assets/food/coca-cola-ad-1886.png>

⁶⁰ Coca-Cola Television Advertisements. Library of Congress.
<https://web.archive.org/web/20070106000832/http://memory.loc.gov/ammem/ccmphtml/colainvnt.html>

Cola, which he stated on letterheads, invoice blanks, and advertisements.⁶¹ **According to the Coca-Cola Company, Candler did not actually achieve Coca-Cola formula's sole ownership until 1891, with a total cost of \$2,300.**⁶² In 1892, Candler incorporated The Coca-Cola Company as a Georgia Corporation.⁶³ By 1895, Candler declared that Coca-Cola was sold and drunk in every state and territory in the United States (through authorized bottlers, which we will discuss later).

A new chapter began in 1919 when the Trust Company of Georgia, led by then president Ernest Woodruff, whose son later run Coca-Cola for many years, purchased the Coca-Cola Company for \$25 million from Asa Griggs Candler, organizing a syndicate to underwrite its initial public offering later that year.⁶⁴ In 1923, Ernest's son, Robert W. Woodruff, became president, a role he would hold until 1955.⁶⁵ Under his leadership, Coca-Cola became a true global beverage giant. By the end of World War II, the company had established bottling plants in 44 countries (and that number had doubled by 1960).⁶⁶ making Coca-Cola a worldwide symbol of refreshment and American enterprise.

The exact origin of Coca-Cola's nickname "Coke" is difficult to trace. Anecdotal evidence suggests that the American public had been using "Coke" to refer to Coca-Cola as early as 1909, though not always with the approval of the Coca-Cola Company, which initially opposed the term because "coke" was also a reference to cocaine.⁶⁷ By the 1920s, however, the nickname had become so popular that other companies began using it to market their own beverages, prompting legal disputes such as The Coca-Cola Company v. The Koke Company of America.⁶⁸ **In 1930, the U.S. Supreme Court ruled that the name "Coke" was the exclusive property of the Coca-Cola Company. Fifteen years later, in 1945, the company officially registered "Coke" as a trademark, solidifying its identity as part of the Coca-Cola brand.**⁶⁹

From 1920, the year following its IPO, to 2024, Coca-Cola's revenue grew from \$32 million to \$47 billion,⁷⁰ representing a CAGR of roughly 7.3%, for over a century. During the same period, net earnings expanded at an estimated CAGR exceeding 8%, from about \$2 million to more than \$10 billion. By 2025, Forbes ranked Coca-Cola as the 6th most valuable brand in the world and 1st in the beverages category, with a brand value of \$64 billion, well ahead of Nescafé, which ranked 33rd overall and 2nd in the category.⁷¹

⁶¹ Chapter 3. Asa Griggs Candler. Charles Howard Candler.

⁶² The Asa Candler Era. <https://www.coca-colacompany.com/about-us/history/the-asa-candler-era>

⁶³ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1890s>

⁶⁴ Buys Out Coca-Cola: Trust Company of Georgia Takes over Beverage Concern. The New York Times. 8/22/1919; New Georgia Encyclopedia – SunTrust Banks (Trust Company Bank).

<https://web.archive.org/web/20110714173031/newgeorgiaencyclopedia.com/nge/Article.jsp?path=/BusinessIndustry/Business/BankingFinancialLegalServices-1/InsuranceCompanies&id=h-1746>

⁶⁵ New Georgia Encyclopedia – SunTrust Banks (Trust Company Bank).

<https://web.archive.org/web/20110714173031/newgeorgiaencyclopedia.com/nge/Article.jsp?path=/BusinessIndustry/Business/BankingFinancialLegalServices-1/InsuranceCompanies&id=h-1746>

⁶⁶ The Chronicle Of Coca-Cola. <https://www.coca-colacompany.com/about-us/history/the-chronicle-of-coca-cola-a-symbol-of-friendship>

⁶⁷ From the Trade Name to Generic: The Case of Coke. Thomas E. Murray. Kansas University.

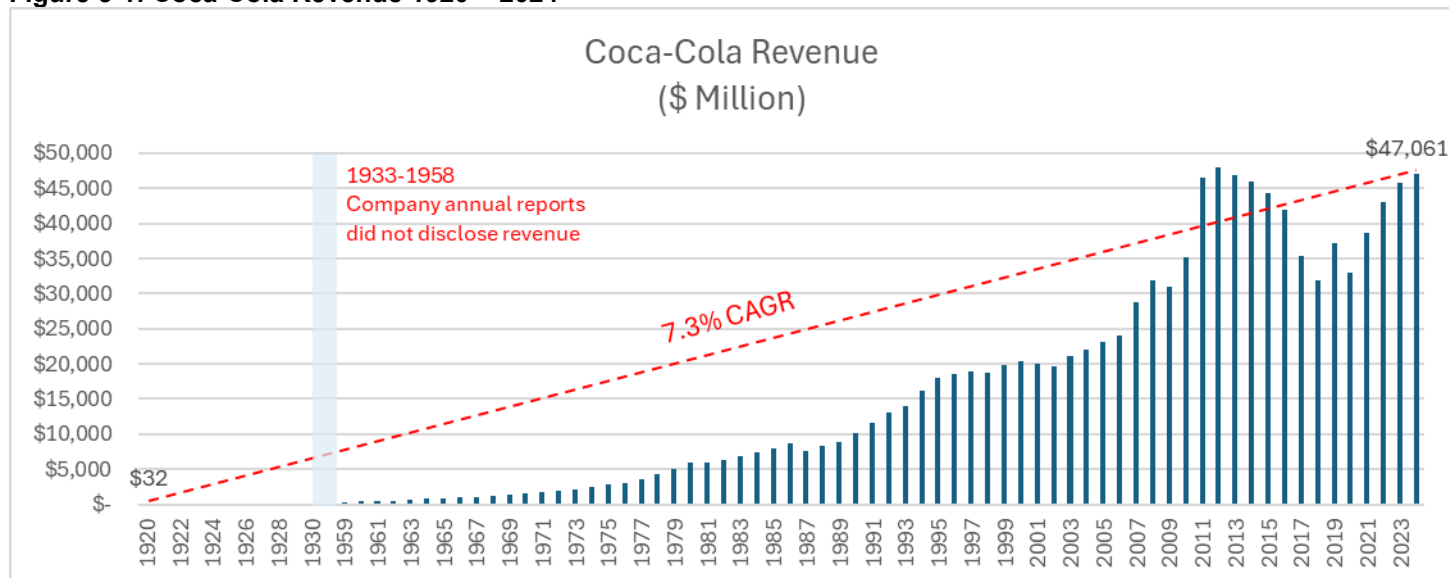
⁶⁸ Coca-Cola Co. v. Koke Co. <https://supreme.justia.com/cases/federal/us/254/143/#145>

⁶⁹ 125 Years of Sharing Happiness. The Coca-Cola Company. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

⁷⁰ The Colca Cola Company Annual Report 1920 – 2024

⁷¹ The World's Most Valuable Brands List. Forbes. <https://www.forbes.com/powerful-brands/list/>

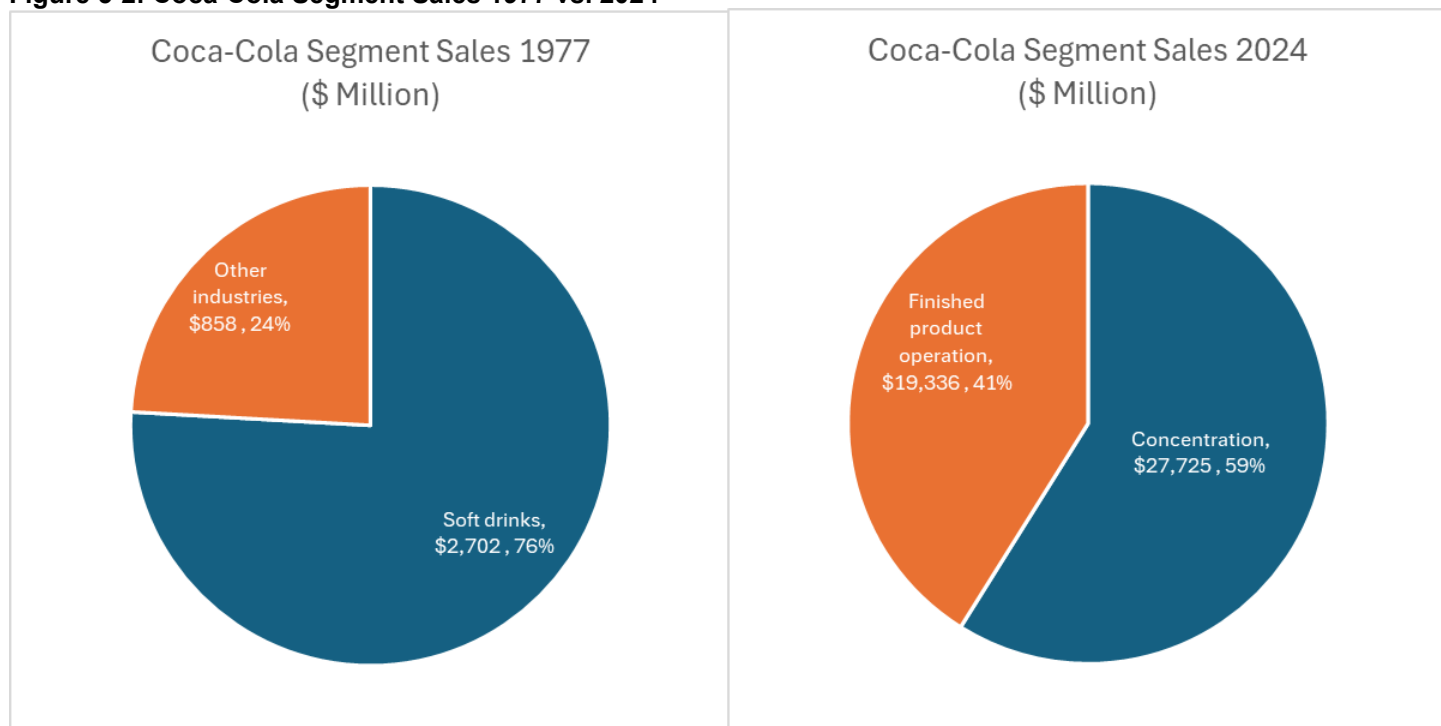
Figure 5-1: Coca-Cola Revenue 1920 – 2024



Notes:

1. The company's 1932 annual report could not be found at the time of writing.
2. Between 1933 and 1958, the company's annual reports did not disclose total revenue, as the income statements during that period began with gross profit.

Figure 5-2: Coca-Cola Segment Sales 1977 vs. 2024

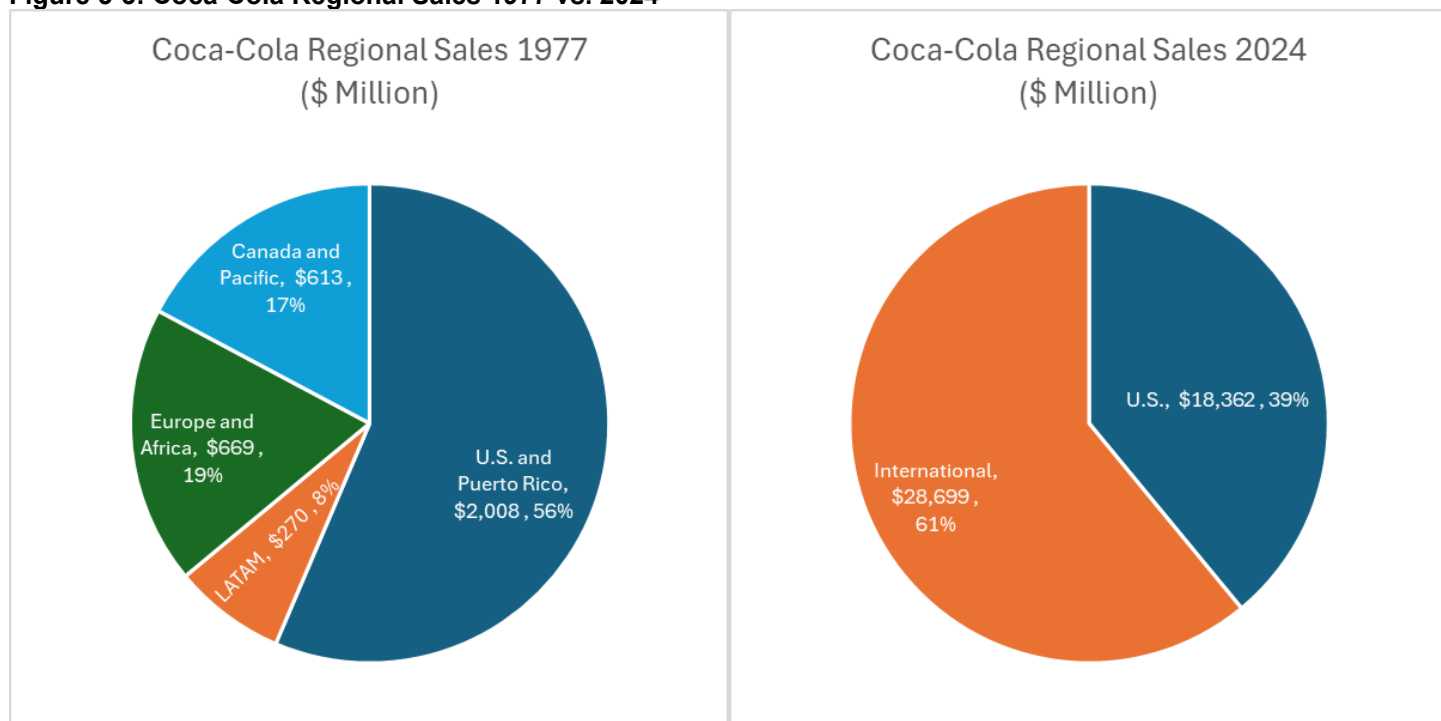


Notes:

1. Coca-Cola first disclosed its sales by product segments in its 1977 annual report. In 1920, the company did not provide such a breakdown. Based on available information, all 1920 sales were likely from beverages; however, the proportions between syrup and finished products are unknown.
2. Other industries in 1977 included non-soft drinks such as citrus, coffee, tea, wine, water treatment equipment and heating equipment.⁷²

⁷² Coca-Cola Annual Report 1977.

Figure 5-3: Coca-Cola Regional Sales 1977 vs. 2024

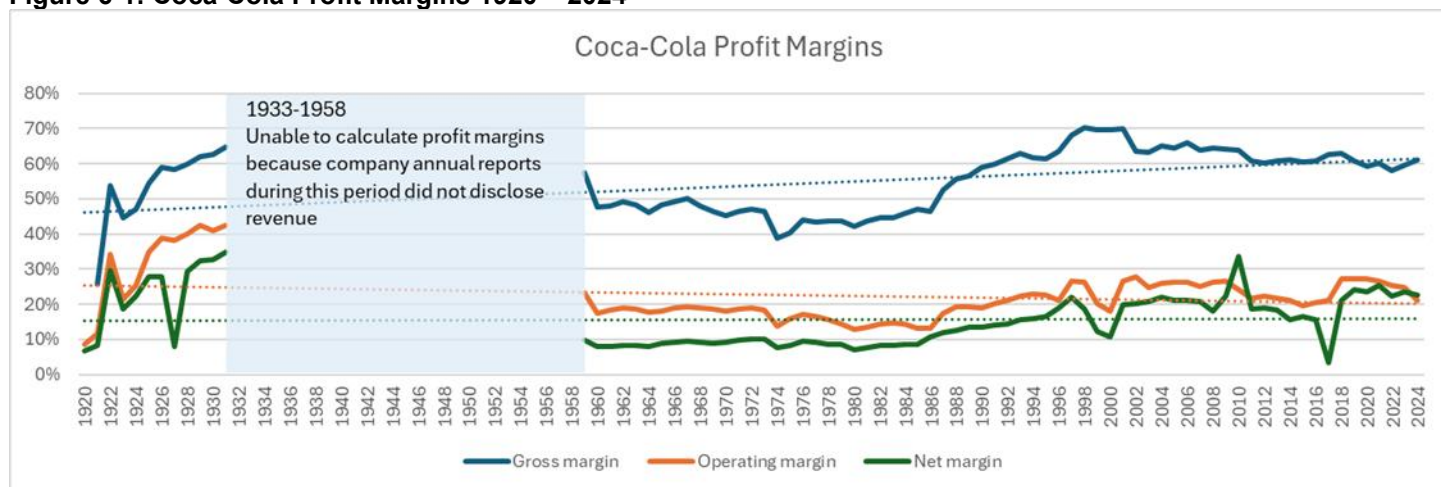


Note:

1. Coca-Cola first disclosed its sales by region in its 1977 annual report. However, as early as 1920, just one year after its IPO, the company had already established operations in international markets.

Historically, the Coca-Cola Company has maintained a gross margin of around 55% and an average operating margin of about 22% since the 1920s, according to available data. The company has never reported an operating loss on an annual basis since its IPO and has consistently generated substantial returns on capital. From 1920 to 2024, Coca-Cola achieved an average ROTCE of approximately 86% and an average ROIC of around 22%.

Figure 6-1: Coca-Cola Profit Margins 1920 – 2024

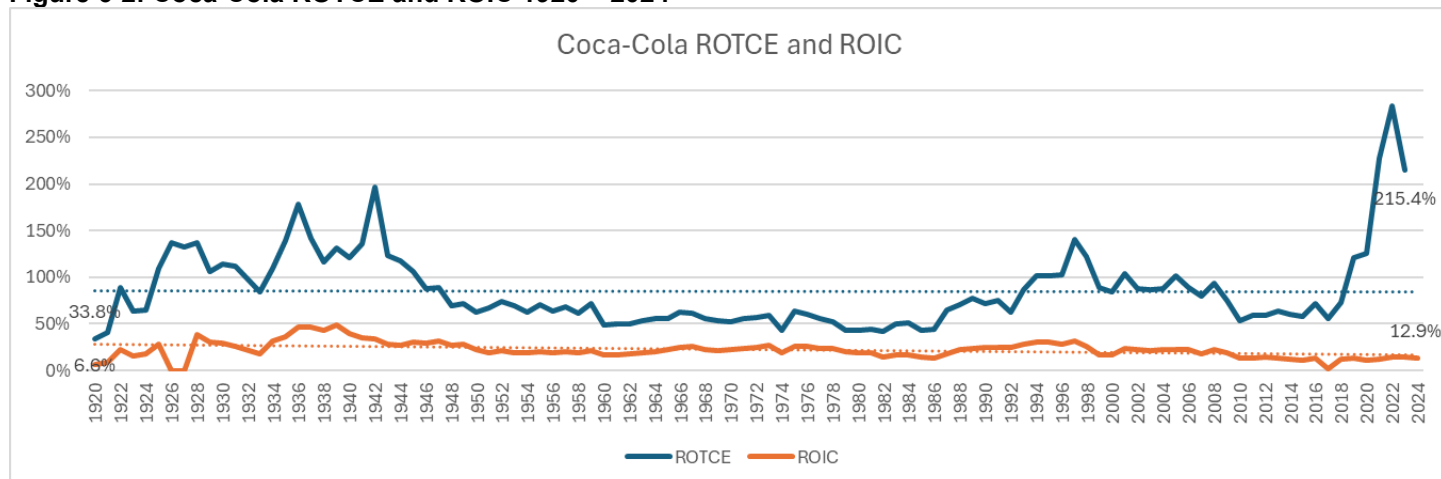


Notes:

1. The company's 1932 annual report could not be found at the time of writing.
2. Between 1933 and 1958, the company's annual reports did not disclose total revenue, as the income statements during that period began with gross profit. Therefore, we were not able to analyze the changes on profit margins over that period. Detailed discussions of the company's operations and financial performance from these years are also limited. However, it is likely that the company experienced sustained pressure on profit margins in the postwar years,

as the costs of goods and services rose⁷³ while Coca-Cola maintained its five-cent-per-bottle price until gradual price increases began in 1946.⁷⁴

Figure 6-2: Coca-Cola ROTCE and ROIC 1920 – 2024



Notes:

1. The ROTCE for 2024 is not shown in the chart because it was negative, resulting from the company's negative tangible capital employed in that year.
2. Between 1933 and 1958, the company's annual reports did not disclose total revenue, as the income statements during that period began with gross profit. Therefore, we were not able to analyze the changes on profit margins over that period. Detailed discussions of the company's operations and financial performance from these years are also limited. However, it is likely that the company experienced sustained pressure on profit margins in the postwar years, as the costs of goods and services rose⁷⁵ while Coca-Cola maintained its five-cent-per-bottle price until gradual price increases began in 1946.⁷⁶
3. In 1926 and 1927, the company did not disclose earnings before tax and tax expenses, and as such, the effective tax rate could not be calculated for those years.
4. **From 1920 to 2024, the Coca-Cola Company achieved an average ROTCE of 86% and a median of 71%, while its ROIC averaged around 22% with a median of approximately 22% as well.**

⁷³ The Coca-Cola Company Annual Report 1958.

⁷⁴ 125 Years of Sharing Happiness. The Coca-Cola Company. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

⁷⁵ The Coca-Cola Company Annual Report 1958.

⁷⁶ 125 Years of Sharing Happiness. The Coca-Cola Company. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

Figure 7-1: Coca-Cola Income 1920 – 2024⁷⁷

\$ Million	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1933	1934	1935	1936	1937	1938	1939	1940	1941
Sales	\$ 32.3	\$ 28.5	\$ 21.1	\$ 24.3	\$ 25.4	\$ 28.6	\$ 30.1	\$ 32.5	\$ 34.7	\$ 39.3	\$ 41.3	\$ 40.3									
COGS	\$ 21.2	\$ 9.7	\$ 13.4	\$ 13.5	\$ 13.1	\$ 12.4	\$ 13.5	\$ 13.9	\$ 14.9	\$ 15.5	\$ 14.1										
Gross profit		\$ 7.3	\$ 11.3	\$ 10.9	\$ 12.0	\$ 15.5	\$ 17.8	\$ 19.0	\$ 20.8	\$ 24.4	\$ 25.8	\$ 26.1	\$ 21.8	\$ 27.1	\$ 31.3	\$ 39.6	\$ 47.1	\$ 50.7	\$ 58.1	\$ 64.9	\$ 85.4
SG&A expenses		\$ 3.9	\$ 4.1	\$ 5.7	\$ 5.5	\$ 5.6	\$ 6.1	\$ 6.6	\$ 6.9	\$ 7.7	\$ 8.9	\$ 9.0	\$ 8.7	\$ 9.8	\$ 10.8	\$ 12.7	\$ 15.8	\$ 17.7	\$ 19.9	\$ 21.6	\$ 28.3
Other expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating profit	\$ 2.8	\$ 3.3	\$ 7.2	\$ 5.2	\$ 6.5	\$ 9.9	\$ 11.7	\$ 12.4	\$ 13.9	\$ 16.7	\$ 17.0	\$ 17.1	\$ 13.1	\$ 17.4	\$ 20.5	\$ 26.9	\$ 31.3	\$ 33.0	\$ 38.2	\$ 43.2	\$ 57.1
Interest expense, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	\$ (0.3)	\$ (0.6)	\$ (0.1)	\$ (0.0)	\$ 0.0	\$ (0.7)	\$ (3.3)	\$ (9.8)	\$ (2.1)	\$ (2.2)	\$ (1.7)	\$ (1.1)	\$ (0.3)	\$ (0.4)	\$ (1.5)	\$ (1.4)	\$ (1.2)	\$ (1.4)	\$ (1.9)	\$ (1.8)	\$ (1.9)
Earnings before tax	\$ 2.4	\$ 2.8	\$ 7.2	\$ 5.2	\$ 6.5	\$ 9.3			\$ 11.8	\$ 14.5	\$ 15.3	\$ 16.1	\$ 12.8	\$ 16.9	\$ 19.0	\$ 25.4	\$ 30.1	\$ 31.7	\$ 36.4	\$ 41.4	\$ 55.2
Tax	\$ 0.2	\$ 0.4	\$ 0.9	\$ 0.6	\$ 0.8	\$ 1.4			\$ 1.6	\$ 1.7	\$ 1.8	\$ 2.0	\$ 2.0	\$ 2.6	\$ 3.2	\$ 5.0	\$ 5.4	\$ 6.1	\$ 7.3	\$ 12.5	\$ 26.3
Net profit	\$ 2.2	\$ 2.3	\$ 6.3	\$ 4.5	\$ 5.7	\$ 7.9	\$ 8.4	\$ 2.6	\$ 10.2	\$ 12.8	\$ 13.5	\$ 14.0	\$ 10.8	\$ 14.3	\$ 15.8	\$ 20.4	\$ 24.7	\$ 25.6	\$ 29.0	\$ 28.9	\$ 28.9
Other income, net of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit to shareholders	\$ 2.2	\$ 2.3	\$ 6.3	\$ 4.5	\$ 5.7	\$ 7.9	\$ 8.4	\$ 2.6	\$ 10.2	\$ 12.8	\$ 13.5	\$ 14.0	\$ 10.8	\$ 14.3	\$ 15.8	\$ 20.4	\$ 24.7	\$ 25.6	\$ 29.0	\$ 28.9	\$ 28.9
\$ Million	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Sales																		\$ 342.3	\$ 502.0	\$ 536.5	\$ 567.7
COGS																		\$ 145.9	\$ 263.0	\$ 278.7	\$ 288.0
Gross profit	\$ 78.2	\$ 87.7	\$ 94.9	\$ 81.5	\$ 76.2	\$ 99.2	\$ 126.0	\$ 127.7	\$ 118.6	\$ 123.5	\$ 133.0	\$ 139.5	\$ 137.7	\$ 144.7	\$ 153.6	\$ 165.3	\$ 174.5	\$ 196.3	\$ 239.0	\$ 257.9	\$ 279.7
SG&A expenses	\$ 25.7	\$ 30.8	\$ 37.8	\$ 39.8	\$ 38.0	\$ 43.8	\$ 65.5	\$ 61.9	\$ 62.9	\$ 65.2	\$ 72.7	\$ 79.3	\$ 82.3	\$ 85.4	\$ 94.8	\$ 99.0	\$ 107.0	\$ 117.2	\$ 152.3	\$ 159.9	\$ 172.9
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating profit	\$ 52.5	\$ 56.9	\$ 57.1	\$ 41.7	\$ 38.2	\$ 55.4	\$ 60.5	\$ 65.7	\$ 55.7	\$ 58.3	\$ 60.3	\$ 60.2	\$ 55.4	\$ 59.3	\$ 58.8	\$ 66.3	\$ 67.5	\$ 79.1	\$ 86.8	\$ 97.9	\$ 106.8
Interest expense, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	\$ (2.0)	\$ (1.2)	\$ (1.4)	\$ (0.3)	\$ 0.1	\$ (1.4)	\$ (1.1)	\$ (2.2)	\$ 1.1	\$ 0.6	\$ (1.0)	\$ 0.9	\$ (0.5)	\$ (1.1)	\$ 2.2	\$ (0.8)	\$ (2.1)	\$ (2.0)	\$ (1.9)	\$ (4.2)	\$ (4.8)
Earnings before tax	\$ 50.5	\$ 55.7	\$ 55.7	\$ 41.4	\$ 38.3	\$ 54.0	\$ 59.4	\$ 63.5	\$ 56.8	\$ 58.9	\$ 59.3	\$ 61.1	\$ 54.8	\$ 58.2	\$ 61.0	\$ 65.5	\$ 65.4	\$ 77.2	\$ 84.9	\$ 93.7	\$ 102.0
Tax	\$ 27.3	\$ 30.2	\$ 30.5	\$ 16.0	\$ 12.7	\$ 20.7	\$ 23.5	\$ 25.5	\$ 24.9	\$ 32.7	\$ 32.0	\$ 32.9	\$ 28.9	\$ 30.7	\$ 31.7	\$ 35.6	\$ 35.4	\$ 43.6	\$ 45.6	\$ 51.3	\$ 55.3
Net profit	\$ 23.3	\$ 25.5	\$ 25.2	\$ 25.4	\$ 25.6	\$ 33.3	\$ 35.8	\$ 38.0	\$ 31.9	\$ 26.1	\$ 27.3	\$ 28.2	\$ 26.0	\$ 27.5	\$ 29.3	\$ 29.9	\$ 30.0	\$ 33.6	\$ 39.3	\$ 42.5	\$ 46.7
Other income, net of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minority interest	\$ -	\$ -	\$ 0.2	\$ 0.3	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit to shareholders	\$ 23.3	\$ 25.5	\$ 25.0	\$ 25.1	\$ 25.4	\$ 33.0	\$ 35.6	\$ 37.8	\$ 31.8	\$ 26.1	\$ 27.3	\$ 28.2	\$ 25.9	\$ 27.5	\$ 29.3	\$ 29.9	\$ 30.0	\$ 33.6	\$ 39.3	\$ 42.5	\$ 46.7
\$ Million	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Sales	\$ 637.4	\$ 833.6	\$ 864.0	\$ 979.2	\$ 1,043.1	\$ 1,185.8	\$ 1,365.4	\$ 1,606.4	\$ 1,728.8	\$ 1,876.2	\$ 2,145.0	\$ 2,522.1	\$ 2,872.8	\$ 3,032.8	\$ 3,559.9	\$ 4,337.9	\$ 4,961.4	\$ 5,912.6	\$ 5,889.0	\$ 6,249.7	\$ 6,829.0
COGS	\$ 329.3	\$ 449.3	\$ 445.5	\$ 497.3	\$ 519.9	\$ 617.4	\$ 730.0	\$ 880.8	\$ 927.3	\$ 995.3	\$ 1,147.9	\$ 1,541.7	\$ 1,710.4	\$ 1,693.5	\$ 2,009.7	\$ 2,438.2	\$ 2,794.0	\$ 3,425.9	\$ 3,307.6	\$ 3,453.5	\$ 3,772.7
Gross profit	\$ 308.2	\$ 384.2	\$ 418.6	\$ 481.9	\$ 523.2	\$ 568.5	\$ 635.4	\$ 725.6	\$ 801.5	\$ 880.9	\$ 997.0	\$ 980.5	\$ 1,162.5	\$ 1,339.3	\$ 1,550.2	\$ 1,899.7	\$ 2,167.4	\$ 2,486.7	\$ 2,581.5	\$ 2,796.2	\$ 3,056.3
SG&A expenses	\$ 188.8	\$ 237.1	\$ 261.6	\$ 296.9	\$ 321.1	\$ 343.1	\$ 382.1	\$ 437.3	\$ 477.8	\$ 522.6	\$ 605.6	\$ 634.3	\$ 709.9	\$ 824.3	\$ 957.1	\$ 1,221.6	\$ 1,448.0	\$ 1,718.4	\$ 1,782.9	\$ 1,902.0	\$ 2,063.6
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating profit	\$ 119.3	\$ 147.1	\$ 157.0	\$ 185.0	\$ 202.0	\$ 225.3	\$ 253.3	\$ 288.3	\$ 323.6	\$ 358.2	\$ 391.4	\$ 346.2	\$ 452.6	\$ 515.0	\$ 593.1	\$ 678.1	\$ 719.4	\$ 768.3	\$ 798.6	\$ 894.3	\$ 992.6
Interest expense, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5.6)	\$ (32.3)	\$ (31.6)	\$ (10.2)
Other income	\$ (3.7)	\$ (5.5)	\$ (4.7)	\$ (7.3)	\$ (4.4)	\$ (3.0)	\$ (2.3)	\$ 2.9	\$ 3.9	\$ 4.6	\$ 10.6	\$ 18.4	\$ 7.6	\$ 18.6	\$ 12.2	\$ 13.3	\$ 22.8	\$ (9.5)	\$ (23.6)	\$ 6.1	\$ (2.5)
Earnings before tax	\$ 115.7	\$ 141.6	\$ 152.3	\$ 177.6	\$ 197.6	\$ 222.3	\$ 251.0	\$ 291.2	\$ 327.6	\$ 362.8	\$ 402.0	\$ 364.7	\$ 460.2	\$ 533.6	\$ 605.3	\$ 691.4	\$ 742.2	\$ 764.3	\$ 807.3	\$ 932.0	\$ 1,000.3
Tax	\$ 63.3	\$ 76.2	\$ 76.6	\$ 88.7	\$ 97.1	\$ 112.0	\$ 130.0	\$ 144.3	\$ 159.7	\$ 172.6	\$ 187.1	\$ 168.7	\$ 220.9	\$ 248.7	\$ 279.1	\$ 316.7	\$ 322.1	\$ 342.2	\$ 360.2	\$ 419.8	\$ 442.1
Net profit	\$ 52.4	\$ 65.3	\$ 75.7	\$ 89.0	\$ 100.5	\$ 110.3	\$ 121.0	\$ 146.9	\$ 167.8	\$ 190.2	\$ 215.0	\$ 196.0	\$ 239.3	\$ 285.0	\$ 326.2	\$ 374.7	\$ 420.1	\$ 422.1	\$ 447.1	\$ 512.2	\$ 558.3
Other income, net of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit to shareholders	\$ 52.4	\$ 65.3	\$ 75.7	\$ 89.0	\$ 100.5	\$ 110.3	\$ 121.0	\$ 146.9	\$ 167.8	\$ 190.2	\$ 215.0	\$ 196.0	\$ 239.3	\$ 285.0	\$ 326.2	\$ 374.7	\$ 420.1	\$ 422.1	\$ 447.1	\$ 512.2	\$ 558.3

⁷⁷ The Coca-Cola Company Annual Report 1920 – 2024.

\$ Million	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Sales	\$ 7,364.0	\$ 7,903.9	\$ 8,668.6	\$ 7,658.3	\$ 8,337.8	\$ 8,965.8	\$10,236.4	\$11,571.6	\$13,073.9	\$13,957.0	\$16,172.0	\$18,018.0	\$18,546.0	\$18,868.0	\$18,813.0	\$19,805.0	\$20,458.0	\$20,092.0	\$19,564.0	\$21,044.0	\$21,962.0
COGS	\$ 3,992.9	\$ 4,193.6	\$ 4,644.2	\$ 3,633.2	\$ 3,701.5	\$ 3,892.1	\$ 4,208.9	\$ 4,648.4	\$ 5,054.4	\$ 5,160.0	\$ 6,167.0	\$ 6,940.0	\$ 6,738.0	\$ 6,015.0	\$ 5,562.0	\$ 6,009.0	\$ 6,204.0	\$ 6,044.0	\$ 7,105.0	\$ 7,762.0	\$ 7,638.0
Gross profit	\$ 3,371.1	\$ 3,710.3	\$ 4,024.3	\$ 4,025.2	\$ 4,636.4	\$ 5,073.7	\$ 6,027.5	\$ 6,923.2	\$ 8,019.5	\$ 8,797.0	\$10,005.0	\$11,078.0	\$11,808.0	\$12,853.0	\$13,251.0	\$13,796.0	\$14,254.0	\$14,048.0	\$12,459.0	\$13,282.0	\$14,324.0
SG&A expenses	\$ 2,313.6	\$ 2,664.9	\$ 2,699.3	\$ 2,665.0	\$ 3,038.1	\$ 3,347.9	\$ 4,075.9	\$ 4,604.2	\$ 5,249.4	\$ 5,695.0	\$ 6,297.0	\$ 6,986.0	\$ 7,893.0	\$ 7,852.0	\$ 8,284.0	\$ 9,001.0	\$ 9,120.0	\$ 8,696.0	\$ 7,001.0	\$ 7,488.0	\$ 8,146.0
Other expenses	\$ -	\$ -	\$ 180.0	\$ 36.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 813.0	\$ 1,443.0	\$ -	\$ -	\$ 573.0	\$ 480.0
Operating profit	\$ 1,057.5	\$ 1,045.4	\$ 1,145.0	\$ 1,323.8	\$ 1,598.3	\$ 1,725.8	\$ 1,951.6	\$ 2,319.0	\$ 2,770.1	\$ 3,102.0	\$ 3,708.0	\$ 4,092.0	\$ 3,915.0	\$ 5,001.0	\$ 4,967.0	\$ 3,982.0	\$ 3,691.0	\$ 5,352.0	\$ 5,458.0	\$ 5,221.0	\$ 5,698.0
Interest expense, net	\$ (5.1)	\$ 20.3	\$ 51.6	\$ 71.8	\$ 31.2	\$ 103.0	\$ 61.0	\$ 17.1	\$ 7.6	\$ 24.0	\$ 18.0	\$ 27.0	\$ 48.0	\$ 47.0	\$ 58.0	\$ 77.0	\$ 102.0	\$ (36.0)	\$ (10.0)	\$ 2.0	\$ 39.0
Other income	\$ 5.4	\$ 67.7	\$ 417.8	\$ 158.2	\$ 15.0	\$ 141.5	\$ 123.9	\$ 81.3	\$ (16.4)	\$ 107.0	\$ 38.0	\$ 263.0	\$ 729.0	\$ 1,101.0	\$ 289.0	\$ (86.0)	\$ (190.0)	\$ 282.0	\$ 31.0	\$ 276.0	\$ 563.0
Earnings before tax	\$ 1,068.0	\$ 1,092.8	\$ 1,511.3	\$ 1,410.2	\$ 1,582.1	\$ 1,764.3	\$ 2,014.4	\$ 2,383.3	\$ 2,746.1	\$ 3,185.0	\$ 3,728.0	\$ 4,328.0	\$ 4,596.0	\$ 6,055.0	\$ 5,198.0	\$ 3,819.0	\$ 3,399.0	\$ 5,670.0	\$ 5,499.0	\$ 5,495.0	\$ 6,222.0
Tax	\$ 439.2	\$ 415.3	\$ 576.9	\$ 494.0	\$ 537.4	\$ 571.5	\$ 632.5	\$ 765.3	\$ 862.3	\$ 997.0	\$ 1,174.0	\$ 1,342.0	\$ 1,104.0	\$ 1,926.0	\$ 1,665.0	\$ 1,388.0	\$ 1,222.0	\$ 1,691.0	\$ 1,523.0	\$ 1,148.0	\$ 1,375.0
Net profit	\$ 628.8	\$ 677.6	\$ 934.3	\$ 916.1	\$ 1,044.7	\$ 1,192.8	\$ 1,381.9	\$ 1,618.0	\$ 1,883.8	\$ 2,188.0	\$ 2,554.0	\$ 2,986.0	\$ 3,492.0	\$ 4,129.0	\$ 3,533.0	\$ 2,431.0	\$ 2,177.0	\$ 3,979.0	\$ 3,976.0	\$ 4,347.0	\$ 4,847.0
Other income, net of taxes	\$ -	\$ 44.7	\$ -	\$ -	\$ -	\$ 531.0	\$ -	\$ -	\$ (219.4)	\$ (12.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10.0)	\$ (926.0)	\$ -	\$ -
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock dividends	\$ -	\$ -	\$ -	\$ -	\$ 6.4	\$ 21.4	\$ 18.2	\$ 0.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit to shareholders	\$ 628.8	\$ 722.3	\$ 934.3	\$ 916.1	\$ 1,038.3	\$ 1,702.4	\$ 1,363.7	\$ 1,617.5	\$ 1,664.4	\$ 2,176.0	\$ 2,554.0	\$ 2,986.0	\$ 3,492.0	\$ 4,129.0	\$ 3,533.0	\$ 2,431.0	\$ 2,177.0	\$ 3,969.0	\$ 3,050.0	\$ 4,347.0	\$ 4,847.0
\$ Million	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Sales	\$23,104.0	\$24,088.0	\$28,857.0	\$31,944.0	\$30,990.0	\$35,119.0	\$46,542.0	\$48,017.0	\$46,854.0	\$45,998.0	\$44,294.0	\$41,863.0	\$35,410.0	\$31,856.0	\$37,266.0	\$33,014.0	\$38,655.0	\$43,004.0	\$45,754.0	\$47,061.0	
COGS	\$ 8,195.0	\$ 8,164.0	\$10,406.0	\$11,374.0	\$11,088.0	\$12,693.0	\$18,216.0	\$19,053.0	\$18,421.0	\$17,889.0	\$17,482.0	\$16,465.0	\$13,256.0	\$11,770.0	\$14,619.0	\$13,433.0	\$15,357.0	\$18,000.0	\$18,520.0	\$18,324.0	
Gross profit	\$14,909.0	\$15,924.0	\$18,451.0	\$20,570.0	\$19,902.0	\$22,426.0	\$28,326.0	\$28,964.0	\$28,433.0	\$28,109.0	\$26,812.0	\$25,398.0	\$22,154.0	\$20,086.0	\$22,647.0	\$19,581.0	\$23,298.0	\$25,004.0	\$27,234.0	\$28,737.0	
SG&A expenses	\$ 8,739.0	\$ 9,431.0	\$10,945.0	\$11,774.0	\$11,358.0	\$13,158.0	\$17,440.0	\$17,738.0	\$17,310.0	\$17,218.0	\$16,427.0	\$15,262.0	\$12,496.0	\$10,307.0	\$12,103.0	\$ 9,731.0	\$12,144.0	\$12,880.0	\$13,972.0	\$14,582.0	
Other expenses	\$ 85.0	\$ 185.0	\$ 254.0	\$ 350.0	\$ 313.0	\$ 819.0	\$ 732.0	\$ 447.0	\$ 895.0	\$ 1,183.0	\$ 1,657.0	\$ 1,510.0	\$ 2,157.0	\$ 1,079.0	\$ 458.0	\$ 853.0	\$ 846.0	\$ 1,215.0	\$ 1,951.0	\$ 4,163.0	
Operating profit	\$ 6,085.0	\$ 6,308.0	\$ 7,252.0	\$ 8,446.0	\$ 8,231.0	\$ 8,449.0	\$10,154.0	\$10,779.0	\$10,228.0	\$ 9,708.0	\$ 8,728.0	\$ 8,626.0	\$ 7,501.0	\$ 8,700.0	\$10,086.0	\$ 8,997.0	\$10,308.0	\$10,909.0	\$11,311.0	\$ 9,992.0	
Interest expense, net	\$ 5.0	\$ 27.0	\$ 220.0	\$ 105.0	\$ 106.0	\$ 416.0	\$ (66.0)	\$ (74.0)	\$ (71.0)	\$ (111.0)	\$ 243.0	\$ 91.0	\$ 164.0	\$ 237.0	\$ 383.0	\$ 1,067.0	\$ 1,321.0	\$ 433.0	\$ 620.0	\$ 668.0	
Other income	\$ 610.0	\$ 297.0	\$ 841.0	\$ (902.0)	\$ 821.0	\$ 6,210.0	\$ 1,219.0	\$ 956.0	\$ 1,178.0	\$ (494.0)	\$ 1,120.0	\$ (399.0)	\$ (595.0)	\$ (113.0)	\$ 1,083.0	\$ 1,819.0	\$ 3,438.0	\$ 1,210.0	\$ 2,261.0	\$ 3,762.0	
Earnings before tax	\$ 6,690.0	\$ 6,578.0	\$ 7,873.0	\$ 7,439.0	\$ 8,946.0	\$14,243.0	\$11,439.0	\$11,809.0	\$11,477.0	\$ 9,325.0	\$ 9,605.0	\$ 8,136.0	\$ 6,742.0	\$ 8,350.0	\$10,786.0	\$ 9,749.0	\$12,425.0	\$11,686.0	\$12,952.0	\$13,086.0	
Tax	\$ 1,818.0	\$ 1,498.0	\$ 1,892.0	\$ 1,632.0	\$ 2,040.0	\$ 2,384.0	\$ 2,805.0	\$ 2,723.0	\$ 2,851.0	\$ 2,201.0	\$ 2,239.0	\$ 1,586.0	\$ 5,560.0	\$ 1,623.0	\$ 1,801.0	\$ 1,981.0	\$ 2,621.0	\$ 2,115.0	\$ 2,249.0	\$ 2,437.0	
Net profit	\$ 4,872.0	\$ 5,080.0	\$ 5,981.0	\$ 5,807.0	\$ 6,906.0	\$11,859.0	\$ 8,634.0	\$ 9,086.0	\$ 8,626.0	\$ 7,124.0	\$ 7,366.0	\$ 6,550.0	\$ 1,182.0	\$ 6,727.0	\$ 8,985.0	\$ 7,768.0	\$ 9,804.0	\$ 9,571.0	\$10,703.0	\$10,649.0	
Other income, net of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101.0	\$ (251.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ 82.0	\$ 50.0	\$ 62.0	\$ 67.0	\$ 42.0	\$ 26.0	\$ 15.0	\$ 23.0	\$ 35.0	\$ 42.0	\$ 65.0	\$ 21.0	\$ 33.0	\$ 29.0	\$ (11.0)	\$ 18.0	
Preferred stock dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net profit to shareholders	\$ 4,872.0	\$ 5,080.0	\$ 5,981.0	\$ 5,807.0	\$ 6,824.0	\$11,809.0	\$ 8,572.0	\$ 9,019.0	\$ 8,584.0	\$ 7,098.0	\$ 7,351.0	\$ 6,527.0	\$ 1,248.0	\$ 6,434.0	\$ 8,920.0	\$ 7,747.0	\$ 9,771.0	\$ 9,542.0	\$10,714.0	\$10,631.0	

Notes:

1. The company's 1932 annual report could not be found at the time of writing.
2. Between 1933 and 1958, the company's annual reports did not disclose total revenue, as the income statements during that period began with gross profit.

Figure 7-2: Coca-Cola Balance Sheet 1920 – 2024⁷⁸

\$ Million	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1933	1934	1935
Cash and cash equivalents		\$ 0.9	\$ 2.8	\$ 2.4	\$ 1.8	\$ 2.5	\$ 4.6	\$ 9.8	\$ 15.0	\$ 6.6	\$ 9.6	\$ 7.6	\$ 4.2	\$ 6.9	\$ 10.6
Accounts receivable (inc. notes/bills)		\$ 1.7	\$ 1.0	\$ 1.4	\$ 2.5	\$ 1.7	\$ 1.4	\$ 1.7	\$ 1.5	\$ 1.3	\$ 1.9	\$ 1.5	\$ 1.3	\$ 1.5	\$ 1.9
Inventory	\$ 6.6	\$ 1.8	\$ 1.5	\$ 1.8	\$ 1.3	\$ 1.5	\$ 1.7	\$ 2.1	\$ 3.6	\$ 9.1	\$ 7.2	\$ 8.0	\$ 9.0	\$ 11.7	\$ 10.9
Prepaid expenses and other current assets		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets	\$ 6.6	\$ 4.4	\$ 5.3	\$ 5.5	\$ 5.6	\$ 5.7	\$ 7.7	\$ 13.6	\$ 20.2	\$ 17.0	\$ 18.7	\$ 17.2	\$ 14.5	\$ 20.1	\$ 23.4
Investments (own stock, foreign subsidiaries) and assets		\$ 0.2	\$ 0.0	\$ 0.1	\$ 0.5	\$ 0.3	\$ 0.5	\$ 0.3	\$ 0.3	\$ 9.9	\$ 12.9	\$ 17.5	\$ 18.1	\$ 0.9	\$ 1.0
PP&E	\$ 4.3	\$ 5.8	\$ 6.2	\$ 6.9	\$ 6.7	\$ 6.4	\$ 6.1	\$ 6.1	\$ 5.9	\$ 6.3	\$ 6.7	\$ 6.9	\$ 6.7	\$ 6.6	\$ 6.9
Intangible assets	\$ 25.0	\$ 25.0	\$ 20.4	\$ 20.7	\$ 20.7	\$ 20.7	\$ 20.7	\$ 20.7	\$ 20.8	\$ 21.9	\$ 23.1	\$ 24.6	\$ 29.5	\$ 29.5	\$ 30.6
Other non-current assets	\$ 4.4	\$ 0.2	\$ 0.1	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.3	\$ 0.3
Total assets	\$ 40.2	\$ 35.5	\$ 32.1	\$ 33.5	\$ 33.5	\$ 33.1	\$ 35.0	\$ 40.7	\$ 47.2	\$ 55.1	\$ 61.6	\$ 66.1	\$ 68.9	\$ 57.4	\$ 62.1
Accounts payable		\$ 1.0	\$ 0.5	\$ 0.7	\$ 0.5	\$ 0.5	\$ 0.7	\$ 0.5	\$ 0.8	\$ 0.9	\$ 0.9	\$ 1.1	\$ 1.2	\$ 0.9	\$ 1.3
Current debt	\$ 8.9	\$ 2.2	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities (inc. deferred taxes)	\$ 0.7	\$ 0.0	\$ 0.0	\$ 1.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.2	\$ 3.1	\$ 3.8
Current liabilities	\$ 9.5	\$ 3.2	\$ 0.5	\$ 2.0	\$ 0.5	\$ 0.5	\$ 0.7	\$ 0.5	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.4	\$ 4.0	\$ 5.0
Long-term debt		\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.0	\$ 0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred tax liabilities		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities (tax, contingencies, misc.)		\$ 0.4	\$ 0.9	\$ 0.7	\$ 0.8	\$ 2.1	\$ 3.6	\$ 5.2	\$ 6.9	\$ 8.5	\$ 9.8	\$ 10.4	\$ 9.4	\$ 7.5	\$ 8.9
Total liabilities	\$ 9.5	\$ 3.7	\$ 1.5	\$ 2.7	\$ 1.3	\$ 2.5	\$ 4.3	\$ 5.8	\$ 7.8	\$ 9.4	\$ 10.8	\$ 11.5	\$ 10.8	\$ 11.5	\$ 13.9
Shareholders' equity		\$ 31.8	\$ 30.6	\$ 30.7	\$ 32.2	\$ 30.6	\$ 30.8	\$ 35.0	\$ 39.4	\$ 45.6	\$ 50.8	\$ 54.6	\$ 58.1	\$ 46.0	\$ 48.2
Minority interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total equity	\$ 30.7	\$ 31.8	\$ 30.6	\$ 30.7	\$ 32.2	\$ 30.6	\$ 30.8	\$ 35.0	\$ 39.4	\$ 45.6	\$ 50.8	\$ 54.6	\$ 58.1	\$ 46.0	\$ 48.2
Total liabilities and shareholders' equity	\$ 40.2	\$ 35.5	\$ 32.1	\$ 33.5	\$ 33.5	\$ 33.1	\$ 35.0	\$ 40.7	\$ 47.2	\$ 55.1	\$ 61.6	\$ 66.1	\$ 68.9	\$ 57.4	\$ 62.1
\$ Million	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Cash and cash equivalents	\$ 14.2	\$ 12.1	\$ 11.9	\$ 18.9	\$ 14.6	\$ 12.8	\$ 34.5	\$ 23.3	\$ 35.3	\$ 55.5	\$ 60.9	\$ 54.6	\$ 45.1	\$ 47.2	\$ 49.7
Accounts receivable (inc. notes/bills)	\$ 2.4	\$ 2.3	\$ 3.7	\$ 4.0	\$ 4.9	\$ 7.1	\$ 6.4	\$ 8.6	\$ 10.3	\$ 8.1	\$ 6.3	\$ 7.8	\$ 15.8	\$ 15.2	\$ 14.3
Inventory	\$ 12.6	\$ 17.9	\$ 19.4	\$ 19.4	\$ 28.0	\$ 42.0	\$ 26.1	\$ 25.5	\$ 27.1	\$ 18.9	\$ 22.3	\$ 38.7	\$ 37.0	\$ 38.3	\$ 39.4
Prepaid expenses and other current assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets	\$ 29.2	\$ 32.4	\$ 35.0	\$ 42.2	\$ 47.5	\$ 61.9	\$ 67.1	\$ 57.4	\$ 72.7	\$ 82.4	\$ 89.5	\$ 101.2	\$ 97.9	\$ 100.7	\$ 103.4
Investments (own stock, foreign subsidiaries) and assets	\$ 0.8	\$ 1.7	\$ 2.0	\$ 2.3	\$ 4.3	\$ 5.4	\$ 6.2	\$ 7.8	\$ 6.7	\$ 5.2	\$ 5.6	\$ 6.2	\$ 6.4	\$ 6.8	\$ 7.5
PP&E	\$ 7.4	\$ 11.0	\$ 15.2	\$ 17.3	\$ 20.1	\$ 27.5	\$ 28.3	\$ 29.2	\$ 34.8	\$ 34.9	\$ 33.9	\$ 44.4	\$ 58.9	\$ 60.3	\$ 58.3
Intangible assets	\$ 30.6	\$ 30.6	\$ 30.6	\$ 30.6	\$ 34.9	\$ 37.1	\$ 37.1	\$ 37.1	\$ 37.2	\$ 37.3	\$ 37.3	\$ 37.2	\$ 37.2	\$ 38.8	\$ 41.4
Other non-current assets	\$ 0.4	\$ 0.6	\$ 1.2	\$ 1.0	\$ 0.9	\$ 1.6	\$ 1.8	\$ 2.1	\$ 2.8	\$ 1.8	\$ 1.8	\$ 2.9	\$ 4.5	\$ 3.1	\$ 3.4
Total assets	\$ 68.4	\$ 76.3	\$ 83.9	\$ 93.4	\$ 107.8	\$ 133.6	\$ 140.5	\$ 133.6	\$ 154.2	\$ 161.6	\$ 168.0	\$ 191.9	\$ 205.0	\$ 209.6	\$ 214.0
Accounts payable	\$ 1.6	\$ 2.8	\$ 2.7	\$ 3.2	\$ 3.7	\$ 6.0	\$ 4.8	\$ 9.4	\$ 11.1	\$ 11.5	\$ 11.0	\$ 20.6	\$ 14.4	\$ 12.5	\$ 13.5
Current debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.0	\$ 2.9	\$ 1.3	\$ 1.2
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities (inc. deferred taxes)	\$ 5.8	\$ 6.4	\$ 7.1	\$ 8.4	\$ 13.5	\$ 28.5	\$ 29.3	\$ 8.0	\$ 12.3	\$ 11.0	\$ 7.9	\$ 8.1	\$ 9.6	\$ 9.2	\$ 9.9
Current liabilities	\$ 7.5	\$ 9.2	\$ 9.9	\$ 11.6	\$ 17.2	\$ 34.5	\$ 34.2	\$ 17.4	\$ 23.4	\$ 22.6	\$ 18.9	\$ 30.7	\$ 26.9	\$ 23.0	\$ 24.6
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.4	\$ 3.9	\$ 2.1
Deferred tax liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities (tax, contingencies, misc.)	\$ 10.1	\$ 11.4	\$ 12.5	\$ 13.0	\$ 14.4	\$ 15.8	\$ 17.9	\$ 20.1	\$ 21.9	\$ 23.0	\$ 25.5	\$ 26.8	\$ 25.8	\$ 25.9	\$ 25.8
Total liabilities	\$ 17.6	\$ 20.6	\$ 22.4	\$ 24.6	\$ 31.6	\$ 50.3	\$ 52.1	\$ 37.5	\$ 45.3	\$ 45.5	\$ 44.4	\$ 57.5	\$ 56.2	\$ 52.8	\$ 52.5
Shareholders' equity	\$ 50.8	\$ 55.7	\$ 61.5	\$ 68.8	\$ 76.1	\$ 83.2	\$ 88.4	\$ 96.2	\$ 107.1	\$ 114.1	\$ 121.6	\$ 132.2	\$ 146.5	\$ 156.0	\$ 161.1
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.2	\$ 2.3	\$ 0.8	\$ 0.4
Total equity	\$ 50.8	\$ 55.7	\$ 61.5	\$ 68.8	\$ 76.1	\$ 83.2	\$ 88.4	\$ 96.2	\$ 108.9	\$ 116.1	\$ 123.6	\$ 134.4	\$ 148.8	\$ 156.8	\$ 161.5
Total liabilities and shareholders' equity	\$ 68.4	\$ 76.3	\$ 83.9	\$ 93.4	\$ 107.8	\$ 133.6	\$ 140.5	\$ 133.6	\$ 154.2	\$ 161.6	\$ 168.0	\$ 191.9	\$ 205.0	\$ 209.6	\$ 214.0

⁷⁸ The Coca-Cola Company Annual Report 1920 – 2024.

\$ Million	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Cash and cash equivalents	\$ 56.4	\$ 65.5	\$ 66.7	\$ 69.4	\$ 81.5	\$ 79.2	\$ 86.8	\$ 91.3	\$ 106.2	\$ 103.2	\$ 93.2	\$ 84.5	\$ 91.7	\$ 107.2	\$ 115.8
Accounts receivable (inc. notes/bills)	\$ 12.2	\$ 13.6	\$ 13.7	\$ 14.5	\$ 14.7	\$ 17.5	\$ 18.1	\$ 19.4	\$ 21.7	\$ 37.9	\$ 38.2	\$ 37.5	\$ 38.1	\$ 53.7	\$ 58.2
Inventory	\$ 43.6	\$ 37.3	\$ 38.8	\$ 36.9	\$ 30.0	\$ 30.8	\$ 33.6	\$ 35.7	\$ 35.1	\$ 68.9	\$ 81.1	\$ 84.9	\$ 99.6	\$ 115.0	\$ 105.8
Prepaid expenses and other current assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.3	\$ 5.8	\$ 7.1	\$ 7.2	\$ 7.2	\$ 7.4	\$ 8.1	\$ 8.2
Current assets	\$ 112.2	\$ 116.4	\$ 119.2	\$ 120.7	\$ 126.2	\$ 127.5	\$ 138.5	\$ 151.7	\$ 168.8	\$ 217.1	\$ 219.8	\$ 214.1	\$ 236.9	\$ 284.0	\$ 288.0
Investments (own stock, foreign subsidiaries) and assets PP&E	\$ 7.2	\$ 8.5	\$ 13.5	\$ 9.4	\$ 8.8	\$ 9.4	\$ 9.3	\$ 10.8	\$ 11.0	\$ 18.7	\$ 18.6	\$ 22.0	\$ 20.1	\$ 21.3	\$ 25.0
Intangible assets	\$ 41.4	\$ 41.4	\$ 40.1	\$ 40.1	\$ 40.1	\$ 40.1	\$ 40.1	\$ 40.1	\$ 40.2	\$ 42.3	\$ 42.9	\$ 42.8	\$ 43.2	\$ 45.2	\$ 45.2
Other non-current assets	\$ 2.8	\$ 2.6	\$ 2.6	\$ 2.9	\$ 4.0	\$ 4.2	\$ 4.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets	\$ 221.1	\$ 227.4	\$ 235.8	\$ 236.7	\$ 244.2	\$ 254.4	\$ 269.5	\$ 288.3	\$ 308.7	\$ 407.6	\$ 418.5	\$ 424.1	\$ 459.4	\$ 534.5	\$ 571.8
Accounts payable	\$ 14.3	\$ 16.5	\$ 16.6	\$ 17.0	\$ 17.1	\$ 19.7	\$ 19.9	\$ 20.7	\$ 22.9	\$ 40.2	\$ 43.1	\$ 41.6	\$ 52.2	\$ 62.0	\$ 65.4
Current debt	\$ 1.9	\$ 1.5	\$ 3.1	\$ 0.1	\$ 0.1	\$ 1.1	\$ 1.5	\$ 3.0	\$ 2.0	\$ 11.2	\$ 4.3	\$ 0.9	\$ 1.8	\$ 15.4	\$ 12.4
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.1	\$ 1.8	\$ 7.0	\$ 1.9	\$ 1.7	\$ 0.6
Other current liabilities (inc. deferred taxes)	\$ 11.6	\$ 11.6	\$ 10.3	\$ 8.9	\$ 9.1	\$ 9.6	\$ 12.0	\$ 14.6	\$ 17.9	\$ 23.6	\$ 23.7	\$ 21.3	\$ 29.4	\$ 35.5	\$ 38.2
Current liabilities	\$ 27.8	\$ 29.7	\$ 29.9	\$ 26.0	\$ 26.4	\$ 30.3	\$ 33.4	\$ 38.3	\$ 42.8	\$ 77.1	\$ 72.9	\$ 70.8	\$ 85.3	\$ 114.7	\$ 116.5
Long-term debt	\$ 1.2	\$ 1.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17.5	\$ 14.1	\$ 6.6	\$ 4.4	\$ 7.3	\$ 6.6
Deferred tax liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities (tax, contingencies, misc.)	\$ 26.0	\$ 24.6	\$ 27.0	\$ 28.1	\$ 29.4	\$ 31.1	\$ 35.0	\$ 39.7	\$ 45.8	\$ 51.0	\$ 56.3	\$ 61.4	\$ 66.4	\$ 73.4	\$ 80.2
Total liabilities	\$ 54.9	\$ 55.3	\$ 56.9	\$ 54.1	\$ 55.7	\$ 61.5	\$ 68.4	\$ 78.0	\$ 88.6	\$ 145.5	\$ 143.3	\$ 138.8	\$ 156.2	\$ 195.4	\$ 203.4
Shareholders' equity	\$ 165.8	\$ 171.7	\$ 178.6	\$ 182.2	\$ 188.1	\$ 192.6	\$ 200.8	\$ 209.9	\$ 220.1	\$ 262.0	\$ 275.2	\$ 285.3	\$ 303.2	\$ 339.1	\$ 368.5
Minority interest	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total equity	\$ 166.2	\$ 172.1	\$ 178.9	\$ 182.6	\$ 188.5	\$ 193.0	\$ 201.1	\$ 210.2	\$ 220.1	\$ 262.0	\$ 275.2	\$ 285.3	\$ 303.2	\$ 339.1	\$ 368.5
Total liabilities and shareholders' equity	\$ 221.1	\$ 227.4	\$ 235.8	\$ 236.7	\$ 244.2	\$ 254.4	\$ 269.5	\$ 288.3	\$ 308.7	\$ 407.6	\$ 418.5	\$ 424.1	\$ 459.4	\$ 534.5	\$ 571.8
\$ Million	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Cash and cash equivalents	\$ 144.8	\$ 160.7	\$ 146.5	\$ 139.8	\$ 150.8	\$ 193.3	\$ 237.4	\$ 305.5	\$ 238.1	\$ 385.9	\$ 361.9	\$ 347.9	\$ 321.5	\$ 148.6	\$ 231.1
Accounts receivable (inc. notes/bills)	\$ 69.4	\$ 74.1	\$ 83.2	\$ 87.5	\$ 121.5	\$ 129.8	\$ 137.5	\$ 155.1	\$ 220.9	\$ 184.3	\$ 232.1	\$ 275.5	\$ 338.3	\$ 435.1	\$ 523.1
Inventory	\$ 101.7	\$ 113.3	\$ 127.7	\$ 137.3	\$ 170.9	\$ 190.9	\$ 221.9	\$ 247.5	\$ 309.8	\$ 304.9	\$ 355.1	\$ 433.0	\$ 538.3	\$ 669.6	\$ 810.2
Prepaid expenses and other current assets	\$ 8.6	\$ 11.5	\$ 13.7	\$ 21.7	\$ 19.2	\$ 22.7	\$ 24.2	\$ 25.2	\$ 28.4	\$ 25.5	\$ 29.4	\$ 31.9	\$ 38.5	\$ 52.3	\$ 57.8
Current assets	\$ 324.5	\$ 359.5	\$ 371.1	\$ 386.3	\$ 462.3	\$ 536.7	\$ 621.1	\$ 733.2	\$ 797.2	\$ 900.6	\$ 978.5	\$ 1,088.2	\$ 1,236.6	\$ 1,305.6	\$ 1,622.3
Investments (own stock, foreign subsidiaries) and assets PP&E	\$ 24.7	\$ 23.3	\$ 32.1	\$ 35.0	\$ 47.6	\$ 52.2	\$ 55.7	\$ 69.1	\$ 104.7	\$ 100.3	\$ 131.0	\$ 163.2	\$ 179.8	\$ 207.0	\$ 302.2
Intangible assets	\$ 242.8	\$ 289.4	\$ 347.4	\$ 396.7	\$ 440.6	\$ 464.7	\$ 498.5	\$ 535.8	\$ 571.4	\$ 613.1	\$ 698.7	\$ 872.1	\$ 1,065.0	\$ 1,284.2	\$ 1,340.8
Other non-current assets	\$ 45.6	\$ 45.4	\$ 51.5	\$ 52.6	\$ 55.3	\$ 54.3	\$ 56.4	\$ 56.2	\$ 62.9	\$ 96.8	\$ 94.9	\$ 100.3	\$ 101.4	\$ 141.3	\$ 140.7
Total assets	\$ 637.5	\$ 717.6	\$ 802.1	\$ 870.6	\$ 1,005.8	\$ 1,107.9	\$ 1,231.6	\$ 1,394.4	\$ 1,536.3	\$ 1,710.9	\$ 1,903.1	\$ 2,223.9	\$ 2,582.8	\$ 2,938.0	\$ 3,406.0
Accounts payable	\$ 84.2	\$ 94.4	\$ 110.7	\$ 113.2	\$ 136.4	\$ 139.7	\$ 152.7	\$ 195.6	\$ 228.4	\$ 266.5	\$ 329.0	\$ 390.8	\$ 510.0	\$ 576.9	\$ 733.0
Current debt	\$ 14.3	\$ 7.1	\$ 6.8	\$ 13.8	\$ 13.4	\$ 20.4	\$ 25.0	\$ 14.1	\$ 47.7	\$ 21.9	\$ 26.9	\$ 37.3	\$ 48.2	\$ 103.8	\$ 87.6
Current portion of long-term debt	\$ 0.6	\$ 1.4	\$ 2.1	\$ 2.2	\$ 3.8	\$ 3.7	\$ 2.4	\$ 1.9	\$ 2.1	\$ 1.7	\$ 5.1	\$ 4.6	\$ 5.7	\$ 4.4	\$ 7.5
Other current liabilities (inc. deferred taxes)	\$ 40.4	\$ 62.9	\$ 54.0	\$ 57.4	\$ 67.8	\$ 82.2	\$ 93.3	\$ 107.3	\$ 94.4	\$ 149.8	\$ 130.6	\$ 156.1	\$ 180.1	\$ 199.1	\$ 233.4
Current liabilities	\$ 139.5	\$ 165.7	\$ 173.8	\$ 186.6	\$ 221.3	\$ 246.0	\$ 273.5	\$ 318.9	\$ 372.6	\$ 439.9	\$ 491.6	\$ 588.9	\$ 744.0	\$ 884.2	\$ 1,061.6
Long-term debt	\$ 6.1	\$ 10.1	\$ 21.9	\$ 19.1	\$ 16.1	\$ 10.8	\$ 7.1	\$ 8.3	\$ 11.0	\$ 9.0	\$ 7.9	\$ 13.8	\$ 15.2	\$ 31.0	\$ 133.2
Deferred tax liabilities	\$ -	\$ -	\$ 6.9	\$ 9.9	\$ 12.5	\$ 13.0	\$ 15.7	\$ 20.0	\$ 29.5	\$ 32.6	\$ 47.0	\$ 64.1	\$ 83.9	\$ 104.2	\$ 136.4
Other liabilities (tax, contingencies, misc.)	\$ 88.9	\$ 95.3	\$ 101.7	\$ 107.9	\$ 101.7	\$ 101.7	\$ 101.7	\$ 101.7	\$ 101.7	\$ -					
Total liabilities	\$ 234.5	\$ 271.0	\$ 304.2	\$ 323.5	\$ 351.5	\$ 371.5	\$ 398.0	\$ 448.7	\$ 514.8	\$ 481.6	\$ 546.5	\$ 666.7	\$ 843.2	\$ 1,019.3	\$ 1,331.2
Shareholders' equity	\$ 403.0	\$ 446.6	\$ 497.9	\$ 547.1	\$ 654.2	\$ 736.4	\$ 833.6	\$ 945.6	\$ 1,021.6	\$ 1,229.3	\$ 1,356.5	\$ 1,557.2	\$ 1,739.6	\$ 1,918.7	\$ 2,074.7
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total equity	\$ 403.0	\$ 446.6	\$ 497.9	\$ 547.1	\$ 654.2	\$ 736.4	\$ 833.6	\$ 945.6	\$ 1,021.6	\$ 1,229.3	\$ 1,356.5	\$ 1,557.2	\$ 1,739.6	\$ 1,918.7	\$ 2,074.7
Total liabilities and shareholders' equity	\$ 637.5	\$ 717.6	\$ 802.1	\$ 870.6	\$ 1,005.8	\$ 1,107.9	\$ 1,231.6	\$ 1,394.4	\$ 1,536.3	\$ 1,710.9	\$ 1,903.1	\$ 2,223.9	\$ 2,582.8	\$ 2,938.0	\$ 3,406.0

\$ Million	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Cash and cash equivalents	\$ 339.5	\$ 260.9	\$ 611.5	\$ 782.1	\$ 865.2	\$ 887.7	\$ 1,468.3	\$ 1,231.2	\$ 1,181.7	\$ 1,492.1	\$ 1,117.2	\$ 1,063.0	\$ 1,078.0	\$ 1,531.0	\$ 1,315.0
Accounts receivable (inc. notes/bills)	\$ 483.5	\$ 751.8	\$ 779.7	\$ 872.3	\$ 897.2	\$ 1,081.6	\$ 672.2	\$ 627.2	\$ 768.3	\$ 913.5	\$ 933.4	\$ 1,055.2	\$ 1,210.0	\$ 1,470.0	\$ 1,695.0
Inventory	\$ 750.7	\$ 808.8	\$ 744.1	\$ 740.1	\$ 913.3	\$ 932.6	\$ 776.7	\$ 778.8	\$ 789.1	\$ 716.6	\$ 987.8	\$ 1,018.6	\$ 1,049.0	\$ 1,047.0	\$ 1,117.0
Prepaid expenses and other current assets	\$ 62.5	\$ 255.1	\$ 195.0	\$ 241.3	\$ 294.6	\$ 837.5	\$ 1,219.0	\$ 608.2	\$ 864.4	\$ 1,020.5	\$ 1,105.8	\$ 1,110.9	\$ 1,097.0	\$ 1,157.0	\$ 1,323.0
Current assets	\$ 1,636.2	\$ 2,076.6	\$ 2,330.3	\$ 2,635.9	\$ 2,970.3	\$ 3,739.4	\$ 4,136.2	\$ 3,245.4	\$ 3,603.5	\$ 4,142.8	\$ 4,144.2	\$ 4,247.7	\$ 4,434.0	\$ 5,205.0	\$ 5,450.0
Investments (own stock, foreign subsidiaries) and assets	\$ 387.4	\$ 674.8	\$ 735.3	\$ 1,084.2	\$ 1,371.3	\$ 2,211.2	\$ 2,547.5	\$ 2,389.6	\$ 2,425.8	\$ 2,474.7	\$ 2,884.6	\$ 2,894.7	\$ 3,309.0	\$ 3,928.0	\$ 4,311.0
PP&E	\$ 1,409.5	\$ 1,538.6	\$ 1,560.8	\$ 1,622.6	\$ 1,883.7	\$ 1,763.7	\$ 1,597.7	\$ 1,759.1	\$ 2,021.2	\$ 2,385.6	\$ 2,889.9	\$ 3,526.3	\$ 3,729.0	\$ 4,080.0	\$ 4,336.0
Intangible assets	\$ 131.7	\$ 633.4	\$ 601.4	\$ 615.4	\$ 672.4	\$ 659.1	\$ 74.2	\$ 56.5	\$ 232.0	\$ 275.1	\$ 303.7	\$ 383.3	\$ 549.0	\$ 660.0	\$ 944.0
Other non-current assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets	\$ 3,564.8	\$ 4,923.3	\$ 5,227.8	\$ 5,958.1	\$ 6,897.7	\$ 8,373.4	\$ 8,355.6	\$ 7,450.6	\$ 8,282.5	\$ 9,278.2	\$ 10,222.4	\$ 11,051.9	\$ 12,021.0	\$ 13,873.0	\$ 15,041.0
Accounts payable	\$ 672.0	\$ 792.3	\$ 911.0	\$ 1,020.8	\$ 1,109.0	\$ 1,332.7	\$ 1,430.2	\$ 1,081.0	\$ 1,386.5	\$ 1,576.4	\$ 1,914.4	\$ 2,253.0	\$ 2,217.0	\$ 2,564.0	\$ 2,894.0
Current debt	\$ 89.6	\$ 70.6	\$ 85.9	\$ 502.2	\$ 391.6	\$ 701.9	\$ 1,685.4	\$ 1,254.5	\$ 1,419.3	\$ 1,903.6	\$ 1,192.6	\$ 2,072.5	\$ 1,653.0	\$ 2,048.0	\$ 2,371.0
Current portion of long-term debt	\$ 5.5	\$ 50.6	\$ 20.8	\$ 120.3	\$ 34.5	\$ 23.2	\$ 213.6	\$ 108.9	\$ 12.9	\$ 97.3	\$ 109.7	\$ 963.0	\$ 19.0	\$ 35.0	\$ 552.0
Other current liabilities (inc. deferred taxes)	\$ 239.1	\$ 413.4	\$ 373.5	\$ 379.5	\$ 468.8	\$ 697.0	\$ 789.3	\$ 424.5	\$ 839.2	\$ 719.2	\$ 900.9	\$ 14.8	\$ 1,282.0	\$ 1,530.0	\$ 1,531.0
Current liabilities	\$ 1,006.3	\$ 1,326.8	\$ 1,391.1	\$ 2,022.8	\$ 2,003.8	\$ 2,754.8	\$ 4,118.5	\$ 2,868.9	\$ 3,657.9	\$ 4,296.5	\$ 4,117.6	\$ 5,303.2	\$ 5,171.0	\$ 6,177.0	\$ 7,348.0
Long-term debt	\$ 137.3	\$ 462.3	\$ 513.2	\$ 740.0	\$ 889.2	\$ 1,011.2	\$ 803.4	\$ 761.1	\$ 548.7	\$ 535.9	\$ 985.3	\$ 1,120.1	\$ 1,428.0	\$ 1,426.0	\$ 1,141.0
Deferred tax liabilities	\$ 150.4	\$ 165.1	\$ 176.6	\$ 242.0	\$ 320.8	\$ 381.6	\$ 209.9	\$ 269.7	\$ 296.1	\$ 264.6	\$ 200.0	\$ 81.6	\$ 113.0	\$ 180.0	\$ 194.0
Other liabilities (tax, contingencies, misc.)	\$ -	\$ 190.4	\$ 226.1	\$ 175.2	\$ 704.772	\$ 710.9	\$ -	\$ 205.7	\$ 294.4	\$ 332.1	\$ 493.8	\$ 658.6	\$ 725.0	\$ 855.0	\$ 966.0
Total liabilities	\$ 1,294.0	\$ 2,144.7	\$ 2,307.1	\$ 3,180.0	\$ 3,918.6	\$ 4,858.5	\$ 5,131.8	\$ 4,105.3	\$ 4,797.1	\$ 5,429.0	\$ 5,796.6	\$ 7,163.5	\$ 7,437.0	\$ 8,638.0	\$ 9,649.0
Shareholders' equity	\$ 2,270.8	\$ 2,778.7	\$ 2,920.8	\$ 2,778.1	\$ 2,979.1	\$ 3,515.0	\$ 3,223.8	\$ 3,345.3	\$ 3,485.5	\$ 3,849.2	\$ 4,425.8	\$ 3,888.4	\$ 4,584.0	\$ 5,235.0	\$ 5,392.0
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total equity	\$ 2,270.8	\$ 2,778.7	\$ 2,920.8	\$ 2,778.1	\$ 2,979.1	\$ 3,515.0	\$ 3,223.8	\$ 3,345.3	\$ 3,485.5	\$ 3,849.2	\$ 4,425.8	\$ 3,888.4	\$ 4,584.0	\$ 5,235.0	\$ 5,392.0
Total liabilities and shareholders' equity	\$ 3,564.8	\$ 4,923.3	\$ 5,227.8	\$ 5,958.1	\$ 6,897.7	\$ 8,373.4	\$ 8,355.6	\$ 7,450.6	\$ 8,282.5	\$ 9,278.2	\$ 10,222.4	\$ 11,051.9	\$ 12,021.0	\$ 13,873.0	\$ 15,041.0
\$ Million	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cash and cash equivalents	\$ 1,658.0	\$ 1,843.0	\$ 1,807.0	\$ 1,812.0	\$ 1,892.0	\$ 1,934.0	\$ 2,345.0	\$ 3,482.0	\$ 6,768.0	\$ 4,767.0	\$ 2,590.0	\$ 4,308.0	\$ 4,979.0	\$ 9,213.0	\$ 11,337.0
Accounts receivable (inc. notes/bills)	\$ 1,641.0	\$ 1,639.0	\$ 1,666.0	\$ 1,798.0	\$ 1,757.0	\$ 1,882.0	\$ 2,097.0	\$ 2,091.0	\$ 2,171.0	\$ 2,281.0	\$ 2,587.0	\$ 3,317.0	\$ 3,090.0	\$ 3,758.0	\$ 4,430.0
Inventory	\$ 952.0	\$ 959.0	\$ 890.0	\$ 1,076.0	\$ 1,066.0	\$ 1,055.0	\$ 1,294.0	\$ 1,252.0	\$ 1,420.0	\$ 1,424.0	\$ 1,641.0	\$ 2,220.0	\$ 2,187.0	\$ 2,354.0	\$ 2,650.0
Prepaid expenses and other current assets	\$ 1,659.0	\$ 1,528.0	\$ 2,017.0	\$ 1,794.0	\$ 1,905.0	\$ 2,300.0	\$ 1,616.0	\$ 1,571.0	\$ 1,735.0	\$ 1,778.0	\$ 1,623.0	\$ 2,260.0	\$ 1,920.0	\$ 2,226.0	\$ 3,162.0
Current assets	\$ 5,910.0	\$ 5,969.0	\$ 6,380.0	\$ 6,480.0	\$ 6,620.0	\$ 7,171.0	\$ 7,352.0	\$ 8,396.0	\$ 12,094.0	\$ 10,250.0	\$ 8,441.0	\$ 12,105.0	\$ 12,176.0	\$ 17,551.0	\$ 21,579.0
Investments (own stock, foreign subsidiaries) and assets	\$ 5,948.0	\$ 6,501.0	\$ 8,549.0	\$ 8,916.0	\$ 8,129.0	\$ 8,214.0	\$ 7,685.0	\$ 8,860.0	\$ 9,306.0	\$ 6,922.0	\$ 6,783.0	\$ 7,777.0	\$ 5,779.0	\$ 6,755.0	\$ 7,585.0
PP&E	\$ 3,550.0	\$ 3,743.0	\$ 3,669.0	\$ 4,267.0	\$ 4,168.0	\$ 4,453.0	\$ 5,911.0	\$ 6,097.0	\$ 6,091.0	\$ 5,786.0	\$ 6,903.0	\$ 8,493.0	\$ 8,326.0	\$ 9,561.0	\$ 14,727.0
Intangible assets	\$ 753.0	\$ 727.0	\$ 547.0	\$ 1,960.0	\$ 1,917.0	\$ 2,579.0	\$ 3,553.0	\$ 3,989.0	\$ 3,836.0	\$ 3,821.0	\$ 5,135.0	\$ 12,219.0	\$ 12,505.0	\$ 12,828.0	\$ 26,909.0
Other non-current assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,648.0	\$ 2,701.0	\$ 2,675.0	\$ 1,733.0	\$ 1,976.0	\$ 2,121.0
Total assets	\$ 16,161.0	\$ 16,940.0	\$ 19,145.0	\$ 21,623.0	\$ 20,834.0	\$ 22,417.0	\$ 24,501.0	\$ 27,342.0	\$ 31,327.0	\$ 29,427.0	\$ 29,963.0	\$ 43,269.0	\$ 40,519.0	\$ 48,671.0	\$ 72,921.0
Accounts payable	\$ 2,972.0	\$ 3,249.0	\$ 3,141.0	\$ 3,714.0	\$ 3,905.0	\$ 3,679.0	\$ 3,692.0	\$ 4,058.0	\$ 4,283.0	\$ 4,493.0	\$ 5,055.0	\$ 6,915.0	\$ 6,205.0	\$ 6,657.0	\$ 8,859.0
Current debt	\$ 3,388.0	\$ 2,677.0	\$ 4,459.0	\$ 5,112.0	\$ 4,795.0	\$ 3,743.0	\$ 2,475.0	\$ 2,583.0	\$ 4,531.0	\$ 4,518.0	\$ 3,235.0	\$ 5,919.0	\$ 6,066.0	\$ 6,749.0	\$ 8,100.0
Current portion of long-term debt	\$ 9.0	\$ 397.0	\$ 3.0	\$ 261.0	\$ 21.0	\$ 156.0	\$ 180.0	\$ 323.0	\$ 1,490.0	\$ 28.0	\$ 33.0	\$ 133.0	\$ 465.0	\$ 51.0	\$ 1,276.0
Other current liabilities (inc. deferred taxes)	\$ 1,037.0	\$ 1,056.0	\$ 1,037.0	\$ 769.0	\$ 600.0	\$ 851.0	\$ 994.0	\$ 922.0	\$ 667.0	\$ 797.0	\$ 567.0	\$ 258.0	\$ 252.0	\$ 264.0	\$ 273.0
Current liabilities	\$ 7,406.0	\$ 7,379.0	\$ 8,640.0	\$ 9,856.0	\$ 9,321.0	\$ 8,429.0	\$ 7,341.0	\$ 7,886.0	\$ 10,971.0	\$ 9,836.0	\$ 8,890.0	\$ 13,225.0	\$ 12,988.0	\$ 13,721.0	\$ 18,508.0
Long-term debt	\$ 1,116.0	\$ 801.0	\$ 687.0	\$ 854.0	\$ 835.0	\$ 1,219.0	\$ 2,701.0	\$ 2,517.0	\$ 1,157.0	\$ 1,154.0	\$ 1,314.0	\$ 3,277.0	\$ 2,781.0	\$ 5,059.0	\$ 14,041.0
Deferred tax liabilities	\$ 301.0	\$ 448.0	\$ 424.0	\$ 498.0	\$ 358.0	\$ 442.0	\$ 399.0	\$ 337.0	\$ 450.0	\$ 352.0	\$ 608.0	\$ 1,890.0	\$ 877.0	\$ 1,580.0	\$ 4,261.0
Other liabilities (tax, contingencies, misc.)	\$ 1,182.0	\$ 1,001.0	\$ 991.0	\$ 902.0	\$ 1,004.0	\$ 961.0	\$ 2,260.0	\$ 2,512.0	\$ 2,814.0	\$ 1,730.0	\$ 2,231.0	\$ 3,133.0	\$ 3,401.0	\$ 2,965.0	\$ 4,794.0
Total liabilities	\$ 10,005.0	\$ 9,629.0	\$ 10,742.0	\$ 12,110.0	\$ 11,518.0	\$ 11,051.0	\$ 12,701.0	\$ 13,252.0	\$ 15,392.0	\$ 13,072.0	\$ 13,043.0	\$ 21,525.0	\$ 20,047.0	\$ 23,325.0	\$ 41,604.0
Shareholders' equity	\$ 6,156.0	\$ 7,311.0	\$ 8,403.0	\$ 9,513.0	\$ 9,316.0	\$ 11,366.0	\$ 11,800.0	\$ 14,090.0	\$ 15,935.0	\$ 16,355.0	\$ 16,920.0	\$ 21,744.0	\$ 20,472.0	\$ 24,799.0	\$ 31,003.0
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 547.0	\$ 314.0
Total equity	\$ 6,156.0	\$ 7,311.0	\$ 8,403.0	\$ 9,513.0	\$ 9,316.0	\$ 11,366.0	\$ 11,800.0	\$ 14,090.0	\$ 15,935.0	\$ 16,355.0	\$ 16,920.0	\$ 21,744.0	\$ 20,472.0	\$ 25,346.0	\$ 31,317.0
Total liabilities and shareholders' equity	\$ 16,161.0	\$ 16,940.0	\$ 19,145.0	\$ 21,623.0	\$ 20,834.0	\$ 22,417.0	\$ 24,501.0	\$ 27,342.0	\$ 31,327.0	\$ 29,427.0	\$ 29,963.0	\$ 43,269.0	\$ 40,519.0	\$ 48,671.0	\$ 72,921.0

\$ Million	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash and cash equivalents	\$ 14,035.0	\$ 16,551.0	\$ 20,268.0	\$ 21,675.0	\$ 19,900.0	\$ 22,201.0	\$ 20,675.0	\$ 15,964.0	\$ 11,175.0	\$ 10,914.0	\$ 12,625.0	\$ 11,631.0	\$ 13,663.0	\$ 14,571.0
Accounts receivable (inc. notes/bills)	\$ 4,920.0	\$ 4,759.0	\$ 4,873.0	\$ 4,466.0	\$ 3,941.0	\$ 3,856.0	\$ 3,667.0	\$ 3,396.0	\$ 3,971.0	\$ 3,144.0	\$ 3,512.0	\$ 3,487.0	\$ 3,410.0	\$ 3,569.0
Inventory	\$ 3,092.0	\$ 3,264.0	\$ 3,277.0	\$ 3,100.0	\$ 2,902.0	\$ 2,675.0	\$ 2,655.0	\$ 2,766.0	\$ 3,379.0	\$ 3,266.0	\$ 3,414.0	\$ 4,233.0	\$ 4,424.0	\$ 4,728.0
Prepaid expenses and other current assets	\$ 3,450.0	\$ 5,754.0	\$ 2,886.0	\$ 3,745.0	\$ 6,652.0	\$ 5,278.0	\$ 9,548.0	\$ 8,508.0	\$ 1,886.0	\$ 1,916.0	\$ 2,994.0	\$ 3,240.0	\$ 5,235.0	\$ 3,129.0
Current assets	\$ 25,497.0	\$ 30,328.0	\$ 31,304.0	\$ 32,986.0	\$ 33,395.0	\$ 34,010.0	\$ 36,545.0	\$ 30,634.0	\$ 20,411.0	\$ 19,240.0	\$ 22,545.0	\$ 22,591.0	\$ 26,732.0	\$ 25,997.0
Investments (own stock, foreign subsidiaries) and assets	\$ 8,374.0	\$ 10,448.0	\$ 11,512.0	\$ 13,625.0	\$ 15,788.0	\$ 17,249.0	\$ 21,952.0	\$ 20,274.0	\$ 19,879.0	\$ 20,085.0	\$ 18,416.0	\$ 18,765.0	\$ 19,789.0	\$ 18,087.0
PP&E	\$ 14,939.0	\$ 14,476.0	\$ 14,967.0	\$ 14,633.0	\$ 12,571.0	\$ 10,635.0	\$ 8,203.0	\$ 8,232.0	\$ 10,838.0	\$ 10,777.0	\$ 9,920.0	\$ 9,841.0	\$ 9,236.0	\$ 10,303.0
Intangible assets	\$ 27,669.0	\$ 27,337.0	\$ 27,611.0	\$ 26,372.0	\$ 24,132.0	\$ 21,128.0	\$ 16,636.0	\$ 17,270.0	\$ 26,766.0	\$ 28,550.0	\$ 34,613.0	\$ 33,631.0	\$ 33,223.0	\$ 31,440.0
Other non-current assets	\$ 3,495.0	\$ 3,585.0	\$ 4,661.0	\$ 4,407.0	\$ 4,207.0	\$ 4,248.0	\$ 4,560.0	\$ 6,806.0	\$ 8,487.0	\$ 8,644.0	\$ 8,860.0	\$ 7,935.0	\$ 8,723.0	\$ 14,722.0
Total assets	\$ 79,974.0	\$ 86,174.0	\$ 90,055.0	\$ 92,023.0	\$ 90,093.0	\$ 87,270.0	\$ 87,896.0	\$ 83,216.0	\$ 86,381.0	\$ 87,296.0	\$ 94,354.0	\$ 92,763.0	\$ 97,703.0	\$ 100,549.0
Accounts payable	\$ 9,009.0	\$ 8,680.0	\$ 9,577.0	\$ 9,234.0	\$ 9,660.0	\$ 9,490.0	\$ 8,748.0	\$ 8,932.0	\$ 11,312.0	\$ 11,145.0	\$ 14,619.0	\$ 15,749.0	\$ 15,485.0	\$ 21,715.0
Current debt	\$ 12,871.0	\$ 16,297.0	\$ 16,901.0	\$ 19,130.0	\$ 13,129.0	\$ 12,498.0	\$ 13,205.0	\$ 13,194.0	\$ 10,994.0	\$ 2,183.0	\$ 3,307.0	\$ 2,373.0	\$ 4,557.0	\$ 1,499.0
Current portion of long-term debt	\$ 2,041.0	\$ 1,577.0	\$ 1,024.0	\$ 3,552.0	\$ 2,677.0	\$ 3,527.0	\$ 3,298.0	\$ 4,997.0	\$ 4,253.0	\$ 485.0	\$ 1,338.0	\$ 399.0	\$ 1,960.0	\$ 648.0
Other current liabilities (inc. deferred taxes)	\$ 362.0	\$ 1,267.0	\$ 309.0	\$ 458.0	\$ 1,464.0	\$ 1,017.0	\$ 1,943.0	\$ 2,100.0	\$ 414.0	\$ 788.0	\$ 686.0	\$ 1,203.0	\$ 1,569.0	\$ 1,387.0
Current liabilities	\$ 24,283.0	\$ 27,821.0	\$ 27,811.0	\$ 32,374.0	\$ 26,930.0	\$ 26,532.0	\$ 27,194.0	\$ 29,223.0	\$ 26,973.0	\$ 14,601.0	\$ 19,950.0	\$ 19,724.0	\$ 23,571.0	\$ 25,249.0
Long-term debt	\$ 13,656.0	\$ 14,736.0	\$ 19,154.0	\$ 19,063.0	\$ 28,407.0	\$ 29,684.0	\$ 31,182.0	\$ 25,364.0	\$ 27,516.0	\$ 40,125.0	\$ 38,116.0	\$ 36,377.0	\$ 35,547.0	\$ 42,375.0
Deferred tax liabilities	\$ 4,694.0	\$ 4,981.0	\$ 6,152.0	\$ 5,636.0	\$ 4,691.0	\$ 3,753.0	\$ 2,522.0	\$ 1,933.0	\$ 2,284.0	\$ 1,833.0	\$ 2,821.0	\$ 2,914.0	\$ 2,639.0	\$ 2,469.0
Other liabilities (tax, contingencies, misc.)	\$ 5,420.0	\$ 5,468.0	\$ 3,498.0	\$ 4,389.0	\$ 4,301.0	\$ 4,081.0	\$ 8,021.0	\$ 7,638.0	\$ 8,510.0	\$ 9,453.0	\$ 8,607.0	\$ 7,922.0	\$ 8,466.0	\$ 4,084.0
Total liabilities	\$ 48,053.0	\$ 53,006.0	\$ 56,615.0	\$ 61,462.0	\$ 64,329.0	\$ 64,050.0	\$ 68,919.0	\$ 64,158.0	\$ 65,283.0	\$ 66,012.0	\$ 69,494.0	\$ 66,937.0	\$ 70,223.0	\$ 74,177.0
Shareholders' equity	\$ 31,635.0	\$ 32,790.0	\$ 33,173.0	\$ 30,320.0	\$ 25,554.0	\$ 23,062.0	\$ 17,072.0	\$ 16,981.0	\$ 18,981.0	\$ 19,299.0	\$ 22,999.0	\$ 24,105.0	\$ 25,941.0	\$ 24,856.0
Minority interest	\$ 286.0	\$ 378.0	\$ 267.0	\$ 241.0	\$ 210.0	\$ 158.0	\$ 1,905.0	\$ 2,077.0	\$ 2,117.0	\$ 1,985.0	\$ 1,861.0	\$ 1,721.0	\$ 1,539.0	\$ 1,516.0
Total equity	\$ 31,921.0	\$ 33,168.0	\$ 33,440.0	\$ 30,561.0	\$ 25,764.0	\$ 23,220.0	\$ 18,977.0	\$ 19,058.0	\$ 21,098.0	\$ 21,284.0	\$ 24,860.0	\$ 25,826.0	\$ 27,480.0	\$ 26,372.0
Total liabilities and shareholders' equity	\$ 79,974.0	\$ 86,174.0	\$ 90,055.0	\$ 92,023.0	\$ 90,093.0	\$ 87,270.0	\$ 87,896.0	\$ 83,216.0	\$ 86,381.0	\$ 87,296.0	\$ 94,354.0	\$ 92,763.0	\$ 97,703.0	\$ 100,549.0

Note:

1. The company's 1932 annual report could not be found at the time of writing.

Industry Overview

Human survival depends on adequate fluid intake, from water and beverages alike.⁷⁹ In 1945, the U.S. Food and Nutrition Board of the National Research Council issued its first recommendation for daily water consumption – roughly eight servings of 8-ounce glasses.⁸⁰ By that time, Coca-Cola had expanded its reach across the globe, while the world's population was estimated at about 2.3 billion.⁸¹ If every person consumed the recommended eight servings of fluids per day, the whole world would collectively drink more than 18 billion servings daily, or about 6.7 trillion annually.⁸² **Even assuming just one-eighth of those servings came from carbonated beverages, the total would approach 840 billion servings of 8-ounces per year in 1945.**

Coca-Cola did not publish its unit sales figures at that time or prior, but the beverage typically sold for five cents a 6.5 ounce serving around that period,⁸³ equivalent to approximately 6.2 cents per 8 ounce serving. If the company's addressable market had captured even one of the eight daily servings of fluid intake per person, the theoretical market size would have been worth roughly \$52 billion in 1945 alone.⁸⁴ Historical records show that between 1933 and 1958 Coca-Cola disclosed only its gross profit figures, not revenues. Using the 1945 gross profit of about \$82 million and assuming a 50 percent gross margin, as it did not disclose sales figures during 1933 and 1958, lower than the company's previous gross margin of nearly 60%, to reflect wartime effects, Coca-Cola's estimated revenue would have been \$160 million in 1945.

Since Coca-Cola primarily sold syrup to bottlers, which accounted for most of the finished product's cost, the company's share of the retail value was relatively small. **For comparison, a 1999 federal report estimated syrup costs represented about 10% of the final beverage cost,**⁸⁵ while Coca-Cola's 1987 annual report indicated \$6.2 billion in soft drink sales supported roughly \$50 billion in retail sales across the system,⁸⁶ indicating a similar range that syrup accounted about 12% of the final product sales (the difference might be statistical or additional markup, which is unknown). Applying similar logic to 1945, Coca-Cola's \$160 million in sales would have translated to roughly \$1.6 billion in retail sales, just 3% of the hypothetical addressable market that year.⁸⁷ This modest share, in our opinion, highlights how vast the company's growth potential remained in the mid-20th century.

In the early 20th century, when Coca-Cola first went public, the U.S. soft-drink (i.e., commercialized carbonated beverages) industry was still at an early stage and the historical data record is very limited. Over the next century, however, the category expanded dramatically, marked by the emergence of Coca-Cola. Estimates suggest U.S. per-capita soft-drink consumption rose from roughly 0.5 gallon from 1909 to more than 42 gallons as of 2024,⁸⁸ implying nearly a 4% CAGR.

⁷⁹ How Much Should You Drink Every Day. Mayo Clinic. <https://www.mayoclinic.org/healthy-lifestyle/nutrition-and-healthy-eating/in-depth/water/art-20044256>

⁸⁰ Stookey JD, Kavouras SA. Water Researchers Do Not Have a Strategic Plan for Gathering Evidence to Inform Water Intake Recommendations to Prevent Chronic Disease. *Nutrients*. 2020 Oct 31;12(11):3359. doi: 10.3390/nu12113359. PMID: 33142720; PMCID: PMC7692653.

⁸¹ Historical Estimates of World Population. <https://www.census.gov/data/tables/time-series/demo/international-programs/historical-est-worldpop.html>

⁸² 2.3 billion of population each having eight servings of fluid intake for 365 days.

⁸³ 125 Years of Sharing Happiness. The Coca-Cola Company. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

⁸⁴ 840 billion servings times 6.2 cents.

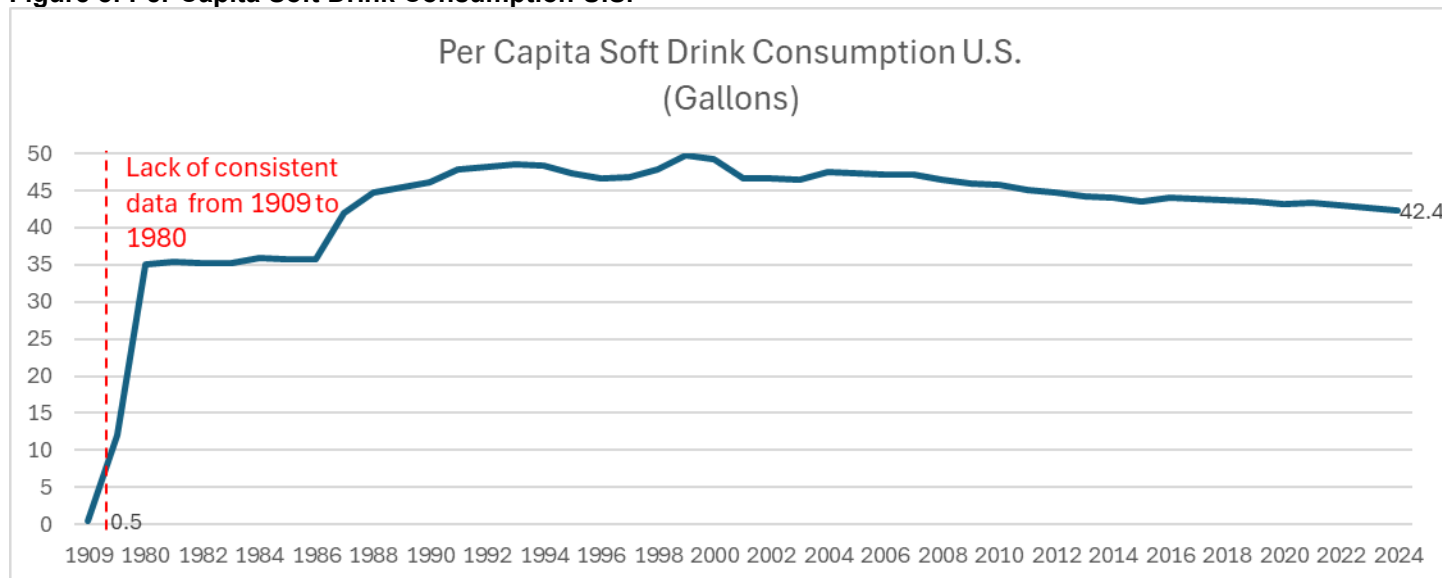
⁸⁵ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999. <https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

⁸⁶ The Coca-Cola Annual Report 1987.

⁸⁷ \$1.6 billion of the hypothetical \$52 billion market.

⁸⁸ Sundborn G, Thornley S, Merriman TR, Lang B, King C, Lanaspas MA, Johnson RJ. Are Liquid Sugars Different from Solid Sugar in Their Ability to Cause Metabolic Syndrome? *Obesity* (Silver Spring). 2019 Jun;27(6):879-887. doi: 10.1002/oby.22472. Epub 2019 May 4. PMID: 31054268; Per Capita Soft Drink Consumption. IBISWorld. <https://www.ibisworld.com/united-states/food-and-beverage/per-capita-soft-drink-consumption/1786/>

Figure 8: Per Capita Soft Drink Consumption U.S.⁸⁹



Notes:

1. Data for 1980 through 2024 were obtained directly from IBISWorld.
2. Figures for 1909 and 1960 were estimated indirectly using soft drink consumption data from a research study, which reported that Americans consumed an average of 11 soft drinks per year in 1909 and 128 in 1960. Given that most beverages were sold in 6-ounce bottles in 1909 and 12-ounce bottles in 1960,⁹⁰ these averages correspond to approximately 0.5 and 12.0 gallons per person, respectively.

Multiple data series point to Americans substituting toward carbonated soft drinks and away from traditional beverages such as coffee and milk after World War II.

One USDA study shows carbonated soft-drink consumption rising from about 11 gallons per person in 1947 to 49 gallons in 2001, about 3% CAGR, while beverage milk fell from 40 to 22 gallons, a decline of -1% CAGR.⁹¹ Another USDA study estimated coffee availability at a 1946 peak of 46.4 gallons per person versus 24.2 in 2005,⁹² about a -1% CAGR as well, during which carbonated soft drinks increased from 10.8 to 51.5 gallons per person, or approximately 3% CAGR. Studies suggested that while there could be many factors affecting the decline in traditional beverages post-World War II, one of the likely causes is the increased availability of alternative beverages, particularly carbonated soft drinks.⁹³ This trend also potentially reflects that the demand for a certain type of beverages could be elastic, meaning that they can be easily substituted when more preferred alternatives emerge.

⁸⁹ Sundborn G, Thornley S, Merriman TR, Lang B, King C, Lanaspas MA, Johnson RJ. Are Liquid Sugars Different from Solid Sugar in Their Ability to Cause Metabolic Syndrome? Obesity (Silver Spring). 2019 Jun;27(6):879-887. doi: 10.1002/oby.22472. Epub 2019 May 4. PMID: 31054268; Per Capita Soft Drink Consumption. IBISWorld. <https://www.ibisworld.com/united-states/bed/per-capita-soft-drink-consumption/1786/>

⁹⁰ Sundborn G, Thornley S, Merriman TR, Lang B, King C, Lanaspas MA, Johnson RJ. Are Liquid Sugars Different from Solid Sugar in Their Ability to Cause Metabolic Syndrome? Obesity (Silver Spring). 2019 Jun;27(6):879-887. doi: 10.1002/oby.22472. Epub 2019 May 4. PMID: 31054268

⁹¹ In the Long Run. Milk and Soft Drink Consumption. Economic Research Service. USDA. <https://www.ers.usda.gov/amber-waves/2004/april/in-the-long-run>

⁹² Coffee Consumption Over the Last Century. Economic Research Service. USDA. <https://www.ers.usda.gov/amber-waves/2007/june/coffee-consumption-over-the-last-century>

⁹³ Coffee Consumption Over the Last Century. Economic Research Service. USDA. <https://www.ers.usda.gov/amber-waves/2007/june/coffee-consumption-over-the-last-century>

Figure 9-1: Milk and Soft Drink Consumption 1947 – 2001⁹⁴

Gallons per capita

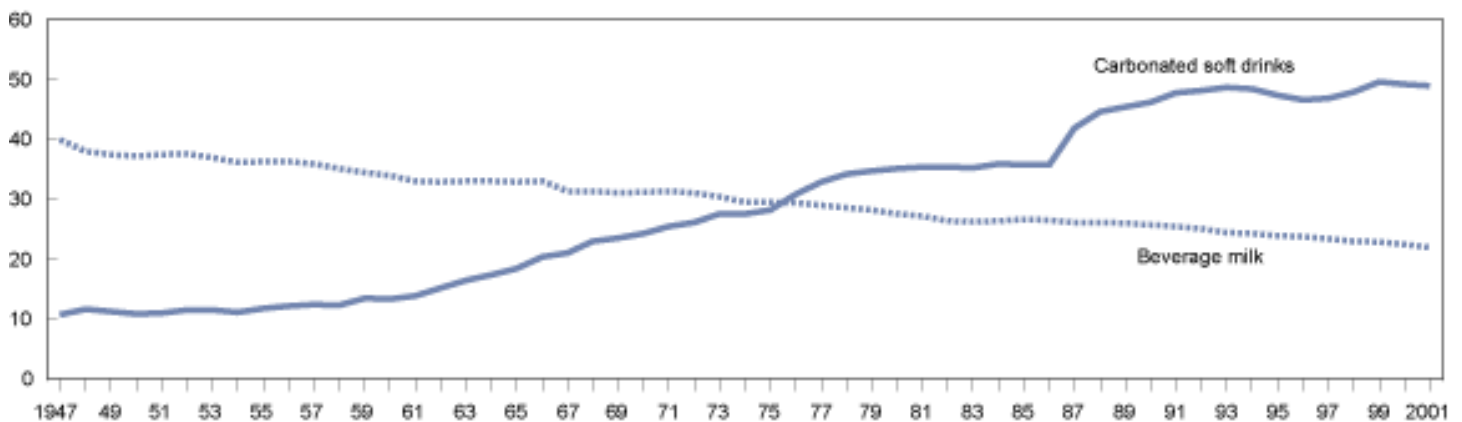
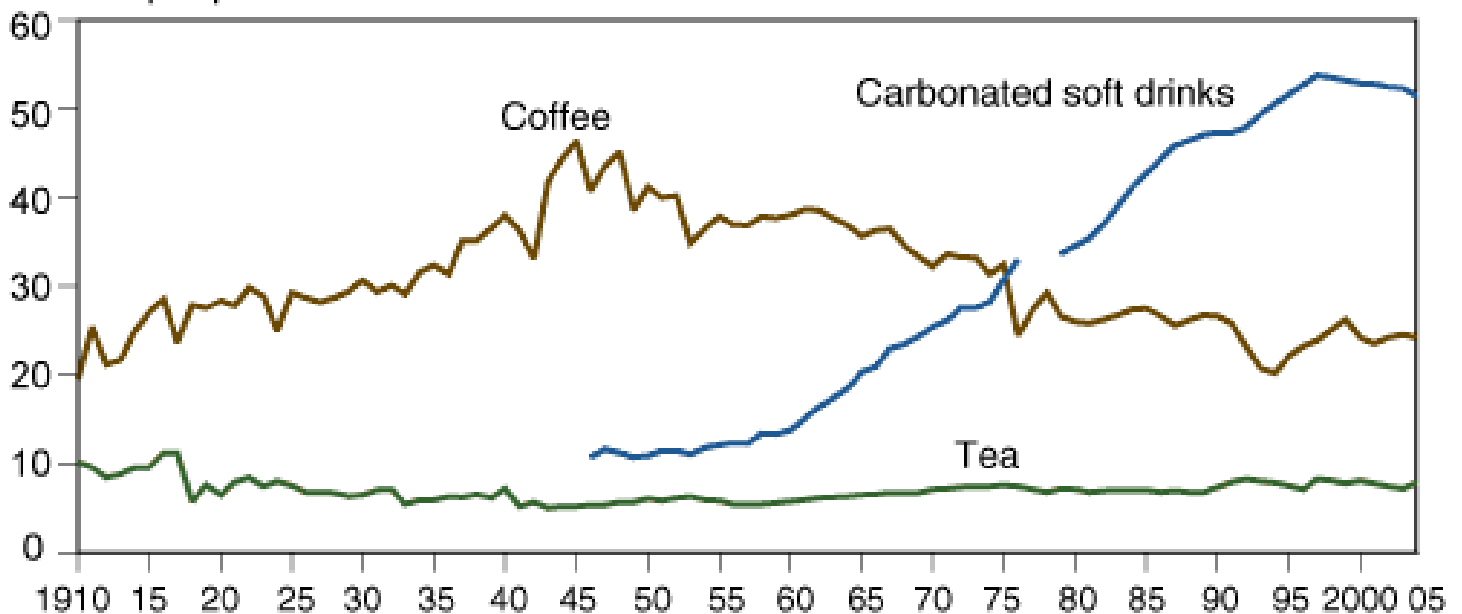


Figure 9-2: Beverage Availability per Person in the U.S.⁹⁵

Gallons per person



Sources: USDA, Economic Research Service using data on carbonated soft drinks from the Bureau of the Census for 1947-77 and the Beverage Marketing Corporation for 1980-2005.

Due to limited data availability, at the time of writing, we were not able to find the Coca-Cola Company's market share data from reliable sources from the company's early years in the 20th century. The Coca-Cola Company claimed it had roughly 60% of market share in the U.S. soft-drink market in 1948.⁹⁶ As competition among soft drink manufacturers intensified, by 1960 the top four players together accounted for about 72% to 75% of total U.S. carbonated soft drink sales, with Coca-Cola leading at approximately 37%.⁹⁷ By 1984, New York Times reported that it had 21.8% by 1984, with

⁹⁴ In the Long Run. Milk and Soft Drink Consumption. Economic Research Service. USDA. <https://www.ers.usda.gov/amber-waves/2004/april/in-the-long-run>

⁹⁵ Coffee Consumption Over the Last Century. Economic Research Service. USDA. <https://www.ers.usda.gov/amber-waves/2007/june/coffee-consumption-over-the-last-century>

⁹⁶ New Coke and Coca-Cola Classic. What the Story Says About America. <https://time.com/3950205/new-coke-history-america/>

⁹⁷ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999. <https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

Pepsi been catching up on the competition for 18.8% market share.⁹⁸ While it is difficult to measure the soft-drink market consistently and comprehensively due to increasing competition among large players as well as uncountable local beverage makers around the world, there is no doubt that Coca-Cola has been consistently one of the most popular and recognized beverage brands both nationally and globally.

In addition, the Coca-Cola Company estimated in 1985 that Americans drank on average 806 soft drinks per year, whereas consumers in international markets drank 118 soft drinks per year,⁹⁹ about 15% of U.S. per capita consumption. This indicates that even after nearly 100 years since its founding, the Coca-Cola Company still had a long runway for potential growth globally.

By 2024, the global soft-drink market, which includes carbonated beverages, juices, bottled water, functional drinks, concentrates, ready-to-drink tea and coffee, and various Asian specialty drinks, had grown to roughly \$1.1 trillion.¹⁰⁰ Data shows that the Coca-Cola Company's market share by 2020 reached 47% in carbonated drinks, followed distantly by PepsiCo at 19%; its market share in the total soft drink market, which includes bottled water, reached 21%, followed by PepsiCo at 10%.¹⁰¹ During this time, the Coca-Cola Company was the largest player on every major continental market from Asia, America, EMEA, to Oceania.

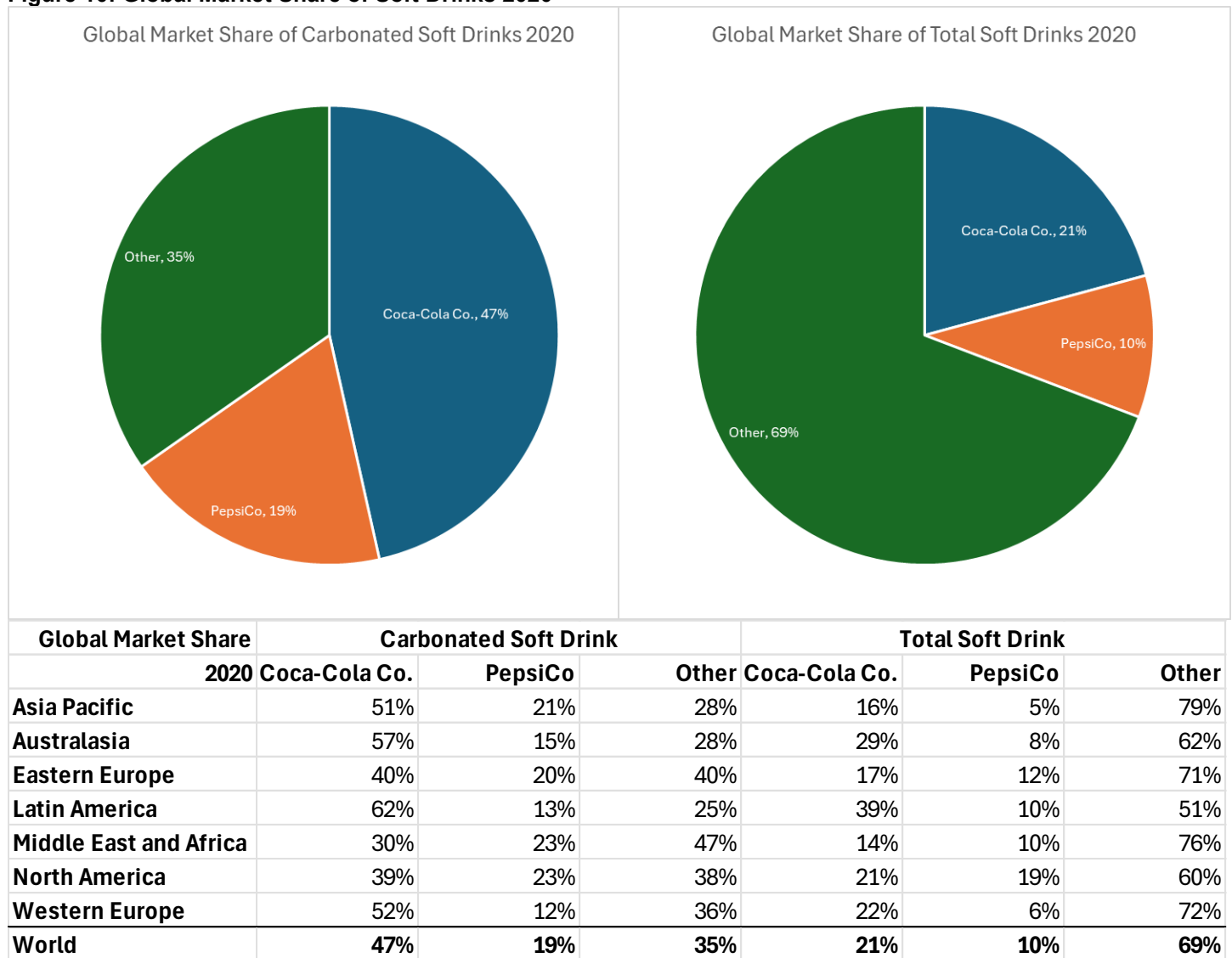
⁹⁸ New Coke and Coca-Cola Classic. What the Story Says About America. <https://time.com/3950205/new-coke-history-america/>

⁹⁹ The Coca-Cola Company Annual Report 1985.

¹⁰⁰ Innovation and Functionality Drive Global Soft Drinks Market to USD1.1 Trillion. <https://www.euromonitor.com/newsroom/press-releases/june-2025/innovation-and-functionality-drive-global-soft-drinks-market-to-usd1.1-trillion>; The World Market for Soft Drinks. <https://www.euromonitor.com/the-world-market-for-soft-drinks/report>

¹⁰¹ Wood, B., Baker, P., Scrinis, G. et al. Maximising the wealth of few at the expense of the health of many: a public health analysis of market power and corporate wealth and income distribution in the global soft drink market. *Global Health* 17, 138 (2021). <https://doi.org/10.1186/s12992-021-00781-6>

Figure 10: Global Market Share of Soft Drinks 2020¹⁰²

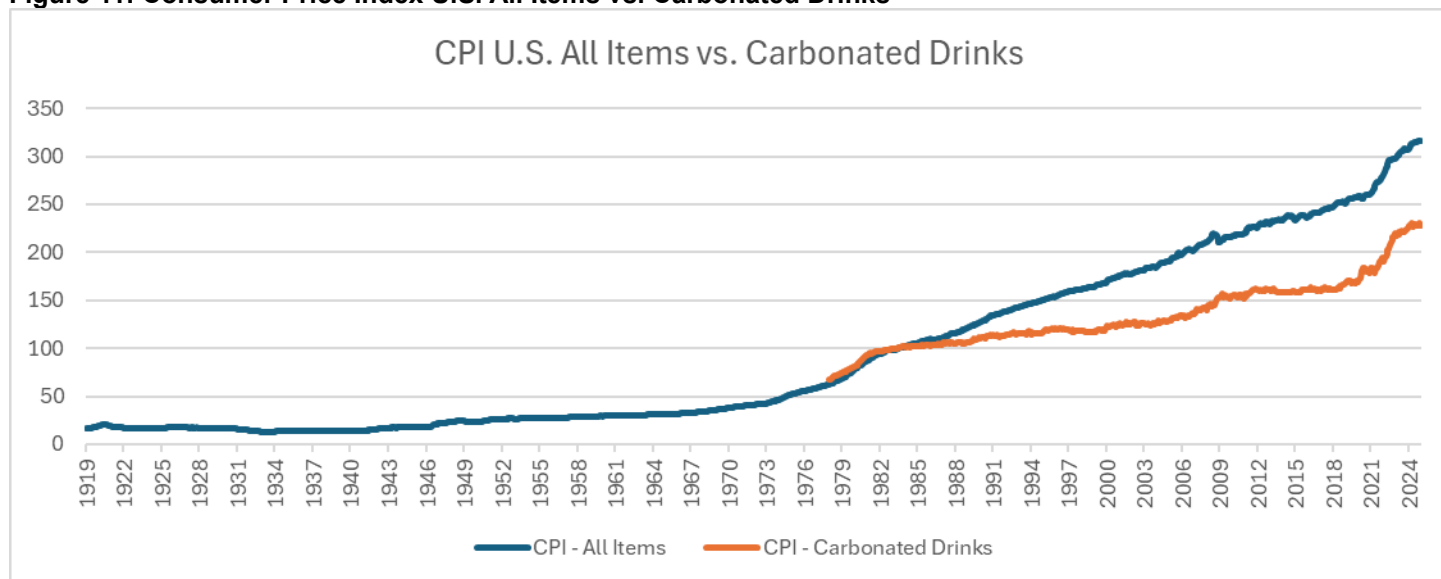


- Note:
- Carbonated soft drink market does not include bottled water. Total soft drink market includes carbonated soft drinks, juice, ready-to-drink tea and coffee, energy drinks, sports drinks, bottled water, concentrate, and specialty drinks.

¹⁰² Wood, B., Baker, P., Scrinis, G. et al. Maximising the wealth of few at the expense of the health of many: a public health analysis of market power and corporate wealth and income distribution in the global soft drink market. Global Health 17, 138 (2021). <https://doi.org/10.1186/s12992-021-00781-6>

Despite scale and brand strength, pricing power within carbonated soft drinks appears limited in general. From the earliest CPI data for carbonated beverages in 1978 through 2024, overall U.S. inflation compounded at around 3.5% annually, while carbonated-drink prices rose about 2.6%, implying a decline on a real basis. Looking over an even longer horizon, U.S. inflation averaged around 2.8% from 1919 to 2024. Coca-Cola famously held its retail price at five cents per 6.5-oz serving from 1886 into the 1940s/1950s, with the first increases appearing in California in 1946 and then spreading to other markets in the following years.¹⁰³ By 2025, a 12-oz glass bottle at \$2.69¹⁰⁴ implies an approximate 2.5% CAGR after adjusting for volume, again suggesting low pricing power relative to broad inflation.

Figure 11: Consumer Price Index U.S. All Items vs. Carbonated Drinks¹⁰⁵



Note:

1. The above CPI data was indexed to 1982-1984.¹⁰⁶

A 2011 USDA study supports our observation, showing that from 1980 to 2010, price indexes for carbonated drinks and other nonalcoholic beverages, categories central to the Coca-Cola Company's business, consistently lagged behind the overall CPI, indicating that the growth in revenues for Coca-Cola was primarily driven by volume and adoption. The same study also found that prices for fruits and vegetables, which became input costs as the company diversified into broader beverage segments, rose faster than general inflation, potentially exerting pressure on profit margins on some of the company's businesses.¹⁰⁷

¹⁰³ 125 Years of Sharing Happiness. The Coca-Cola Company. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

¹⁰⁴ Coca-Cola de Mexico Soda - 12 fl oz Glass Bottle. Target. Retrieved on 10/30/2025. <https://www.target.com/p/coca-cola-de-mexico-12-fl-oz-glass-bottle/-/A-12959570>

¹⁰⁵ CPI Carbonated Drinks in U.S. City Average BLS Data Viewer. <https://data.bls.gov/dataViewer/view/timeseries/CUSR0000SEFN01;jsessionid=67FCE0641F81B7D9E8BE75A53872D12B>; CPI All Items in U.S. City Average BLS Data Viewer. <https://data.bls.gov/dataViewer/view/timeseries/CUUR0000SA0>.

¹⁰⁶ Consumer Price Index US City Average (1982-84 = 100).

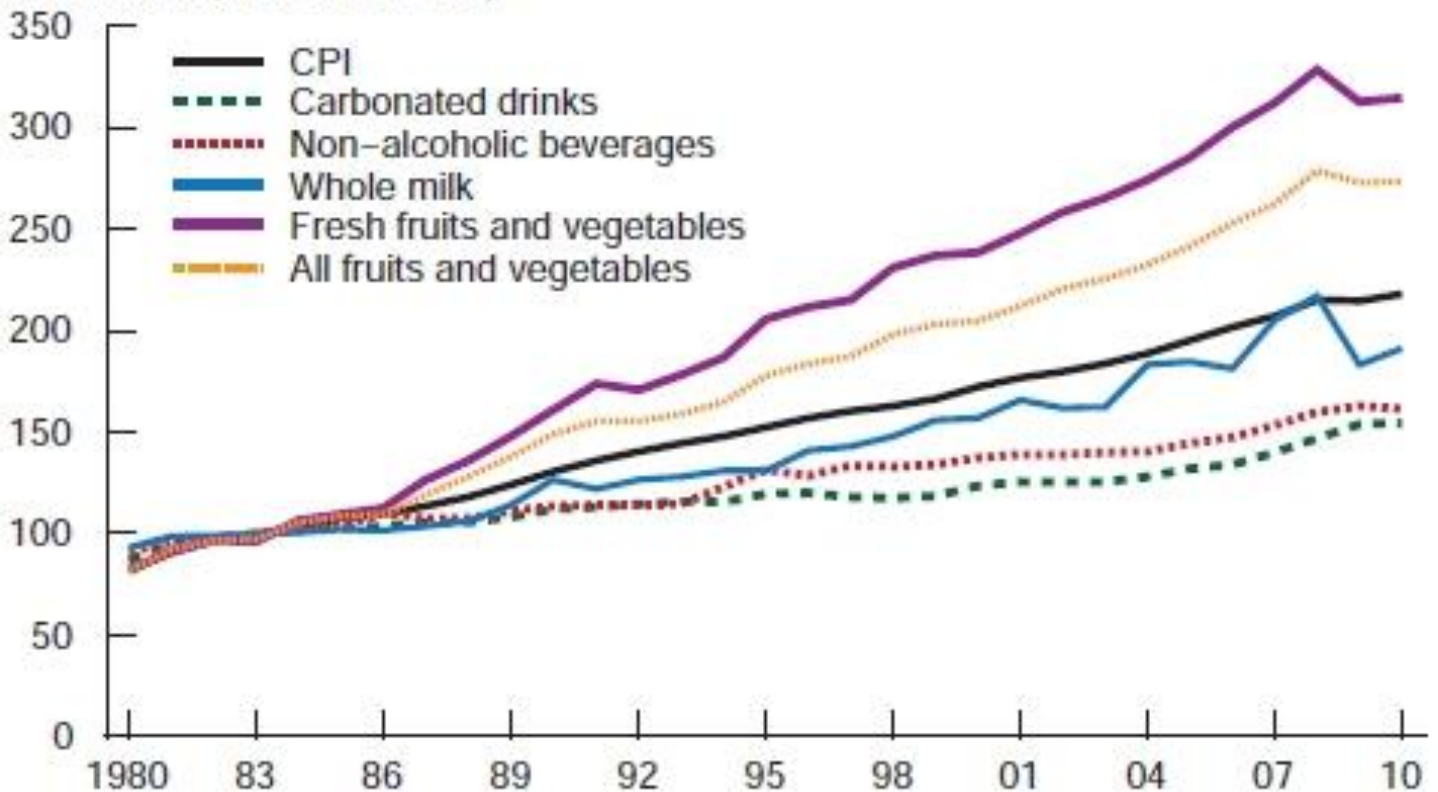
https://www.bls.gov/regions/northeast/data/consumerpriceindex_us_table.htm

¹⁰⁷ Inflation-Adjusted Prices for Carbonated Drinks Have Fallen over the Last 30 Years. USDA. Economic Research Service. <https://ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=75082>

Figure 12: Price Indexes for Selected Foods and Beverages¹⁰⁸

Price indexes for selected foods and beverages, 1980-2010

Price Index (1982-1984=100)



Notes: Prices for each group are annual average prices for all urban consumers. All fruits and vegetables include fresh, canned, and frozen. Base period 1982-84=100.

Source: Bureau of Labor Statistics, <http://data.bls.gov/pdq/querytool.jsp?survey=cu>

From its founding in 1886 through the 1950s, the Coca-Cola Company held the retail price of Coca-Cola at five cents per 6.5-oz glass or bottle.¹⁰⁹ During this long period of price stability, the company seemed to have benefited from relatively steady input costs. Sugar, the primary ingredient in its syrup, averaged under six cents per pound in the U.S., remaining largely flat except for a sharp spike above twenty cents around 1920. That temporary surge resulted from post-World War I disruption, the lifting of U.S. wartime controls and a wave of prosperity that sharply increased domestic demand for sugar.¹¹⁰ Despite such volatility, Coca-Cola's gross margin generally hovered around 60% during this period, as available public data shows. Even during the Great Depression entering the 1930s, the company was able to maintain an above 60% gross margin while its sales were only modestly affected. Limited available data shows that the company's sales remained around \$40 million from 1929 to 1931 when the Great Depression hit.¹¹¹

Because sugar, and later alternative sweeteners, are central inputs in soft-drink production, rising prices in these commodities directly affected profitability, especially given the Coca-Cola Company's limited pricing flexibility. The company's 1979 annual report, as well as in other years, for instance, identified raw materials, particularly sugar, along

¹⁰⁸ Inflation-Adjusted Prices for Carbonated Drinks Have Fallen over the Last 30 Years. USDA. Economic Research Service.

<https://ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=75082>

¹⁰⁹ 125 Years of Sharing Happiness. The Coca-Cola Company. [https://www.coca-](https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf)

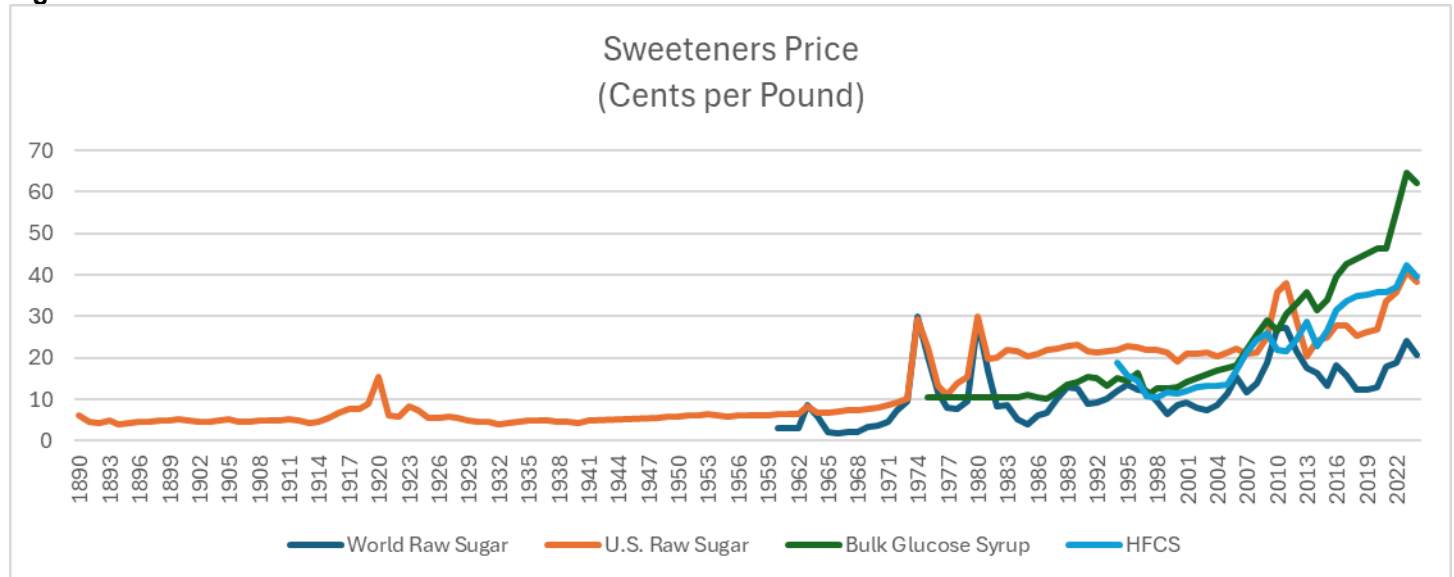
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¹¹⁰ A History of Sugar Marketing Through 1974. USDA. <https://ers.usda.gov/sites/default/files/laserfiche/publications/40532/AER-382.pdf>

¹¹¹ Between 1932 and 1959, the Coca-Cola Company's annual reports did not disclose sales data. The income statements for those years began with gross profit, and no sales figures appeared in the footnotes either.

with citrus and grapes, as major sources of cost increases.¹¹² From 1959 to 1978, the company's gross margin shrank from 57.4% to 43.8%. During the same period, sugar price in the U.S. increased from nearly 6.3 cents per pound to 13.9 cents, over 4% CAGR a year.¹¹³ In response, the Coca-Cola Company began shifting to high-fructose corn syrup (HFCS), a less expensive sweetener derived from corn. In 1980, it authorized the use of up to 50% HFCS in U.S. Coca-Cola, claiming no impact on quality, stability, or taste;¹¹⁴ by 1984, it had approved up to 100% HFCS use in Coca-Cola and several other products.¹¹⁵ Internationally, sweetener usages have since varied by region, for example, Coca-Cola sold in Mexico is typically made with cane sugar today.¹¹⁶

Figure 13: Sweeteners Price¹¹⁷



Notes:

1. Due to data availability from the USDA, starting in 2011, we use nearby futures price for world raw sugar price. For U.S. raw sugar price, they are indicated by nearby futures price.
2. For years prior to 1960, the U.S. raw sugar price is proxied by the average monthly wholesale price of granulated sugar in New York, due to data availability for that period.

¹¹² The Coca-Cola Annual Report 1979.

¹¹³ National Bureau of Economic Research, Retail Price of Sugar for New York, NY [M04031US35620M267NNBR], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/M04031US35620M267NNBR>, October 31, 2025; A History of Sugar Marketing Through 1974. USDA. <https://ers.usda.gov/sites/default/files/laserfiche/publications/40532/AER-382.pdf>; Sugar and Sweeteners Yearbook Tables. Economic Research Service. USDA. <https://www.ers.usda.gov/data-products/sugar-and-sweeteners-yearbook-tables>

¹¹⁴ The Coca-Cola Annual Report 1980.

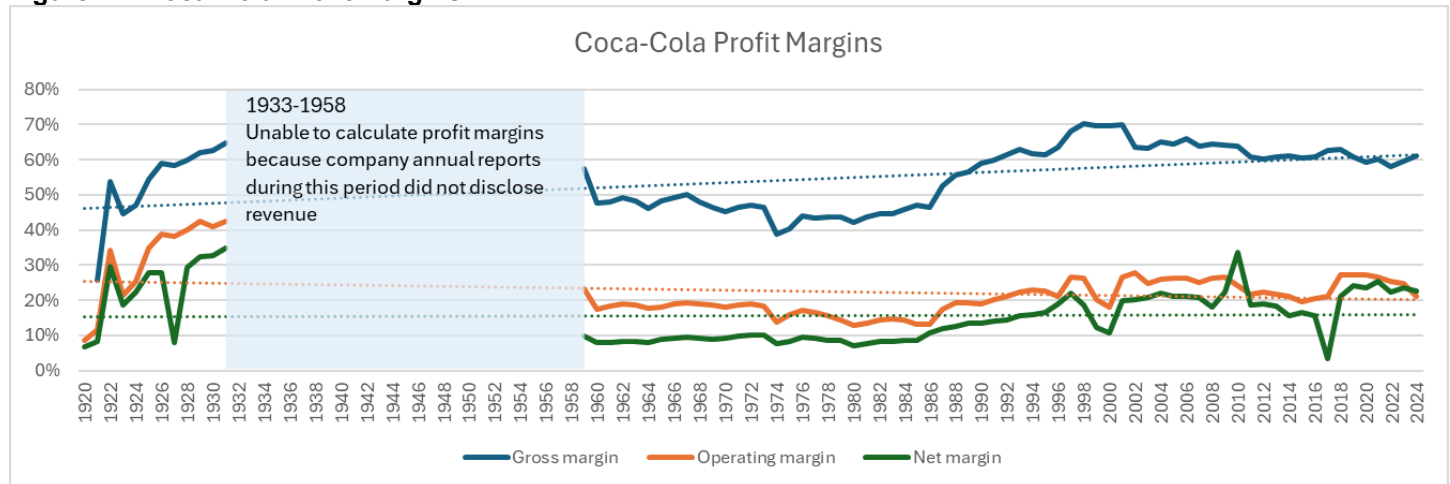
¹¹⁵ The Coca-Cola Annual Report 1984.

¹¹⁶ Map Shows Countries Currently Making Coca-Cola With Cane Sugar. <https://www.newsweek.com/map-countries-coca-cola-cane-sugar-2100347>

¹¹⁷ National Bureau of Economic Research, Retail Price of Sugar for New York, NY [M04031US35620M267NNBR], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/M04031US35620M267NNBR>, October 31, 2025; A History of Sugar Marketing Through 1974. USDA. <https://ers.usda.gov/sites/default/files/laserfiche/publications/40532/AER-382.pdf>; Sugar and Sweeteners Yearbook Tables. Economic Research Service. USDA. <https://www.ers.usda.gov/data-products/sugar-and-sweeteners-yearbook-tables>.

At the time of the transition, U.S. raw sugar sold for about 15.6 cents per pound, nearly 50% higher than bulk glucose syrup at 10.6 cents per pound,¹¹⁸ the base ingredient for high-fructose corn syrup (HFCS). Sugar remained the more expensive option for at least two decades thereafter. From 1979 to 2024, raw sugar prices rose at roughly a 2% CAGR, while glucose syrup increased about 4% annually.

Figure 14: Coca-Cola Profit Margins



Notes:

1. The company's 1932 annual report could not be found at the time of writing.
2. Between 1933 and 1958, the company's annual reports did not disclose total revenue, as the income statements during that period began with gross profit. Therefore, we were not able to analyze the changes on profit margins over that period. Detailed discussions of the company's operations and financial performance from these years are also limited. However, it is likely that the company experienced sustained pressure on profit margins in the postwar years, as the costs of goods and services rose¹¹⁹ while Coca-Cola maintained its five-cent-per-bottle price until gradual price increases began in 1946.¹²⁰

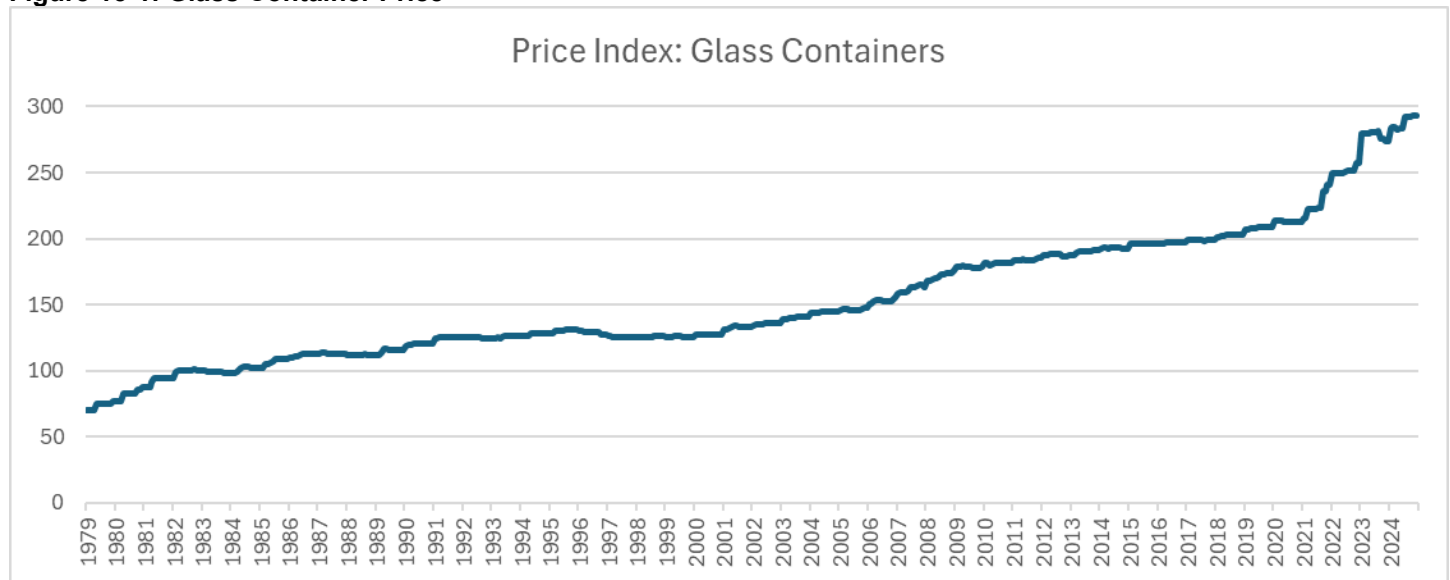
¹¹⁸ Sugar and Sweeteners Yearbook Tables. Economic Research Service. USDA. <https://www.ers.usda.gov/data-products/sugar-and-sweeteners-yearbook-tables>

¹¹⁹ The Coca-Cola Company Annual Report 1958.

¹²⁰ 125 Years of Sharing Happiness. The Coca-Cola Company. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

Other input costs also trended upward over time, potentially adding pressure to beverage producers' margins. **However, since Coca-Cola and Pepsi primarily sell syrup and concentrate to authorized bottlers, who then handle most of the production costs for finished beverages, we believe, the direct impact of rising input costs on these companies has likely been very limited.** Glass container prices increased around 3% CAGR from 1979 to 2024,¹²¹ faster than Coca-Cola's own long-term price growth of roughly 2.5%. Meanwhile, aluminum cans rose by just over 1% annually and plastic bottles by about 2%,¹²² slightly below the company's product price growth rate. However, input costs may vary widely by geography, as Coca-Cola operates manufacturing plants and bottlers around the world, each subject to local economic conditions and material-price fluctuations.

Figure 15-1: Glass Container Price¹²³



¹²¹ U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Nonmetallic Mineral Products: Glass Containers (Including Value of Packaging) [WPU138], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WPU138>, October 31, 2025.

¹²² U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Plastics Bottle Manufacturing: Primary Products [PCU326160326160P], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCU326160326160P>, October 31, 2025; U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Metal Can Manufacturing: Aluminum Cans (Including Lids, Ends, and Parts Shipped Separately) [PCU3324313324313], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCU3324313324313>, October 31, 2025.

¹²³ U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Nonmetallic Mineral Products: Glass Containers (Including Value of Packaging) [WPU138], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WPU138>, October 31, 2025.

Figure 15-2: Plastic Bottle Price¹²⁴

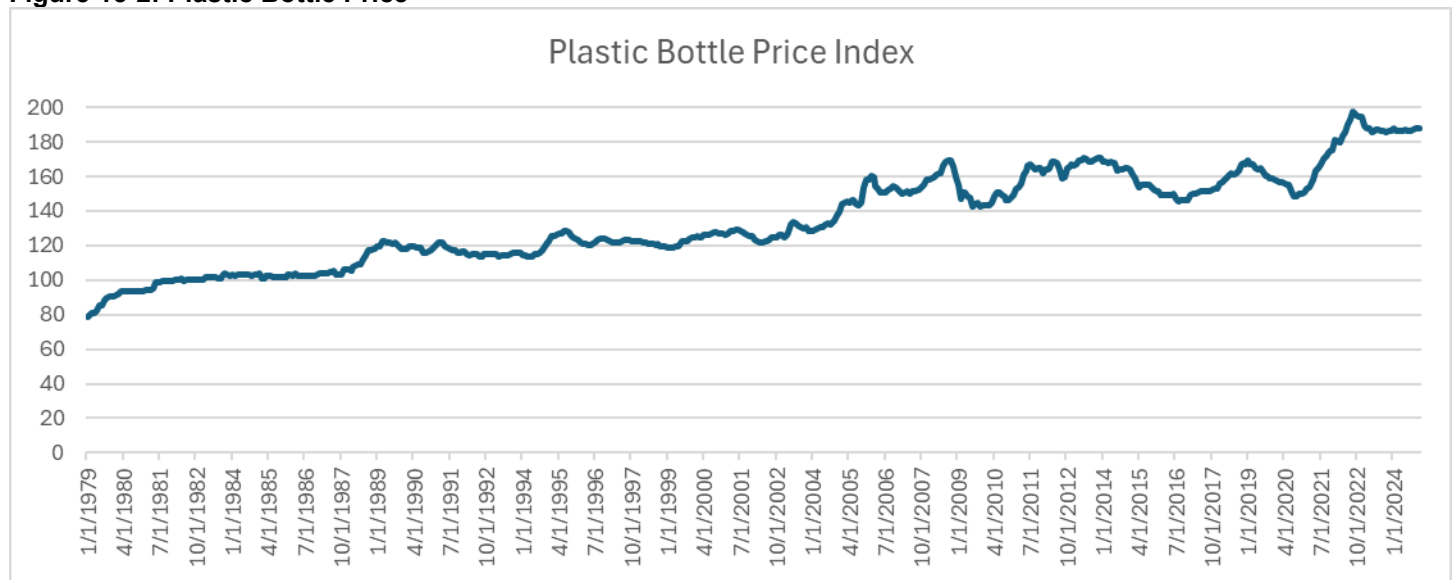
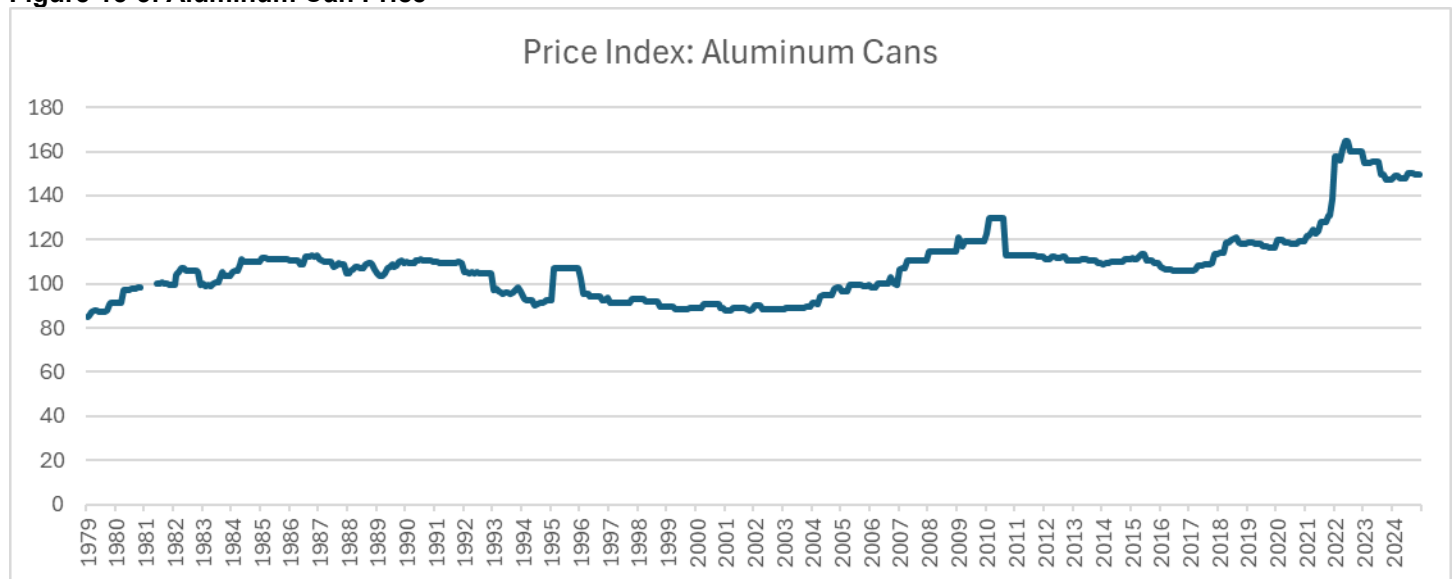


Figure 15-3: Aluminum Can Price¹²⁵



¹²⁴ U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Plastics Bottle Manufacturing: Primary Products [PCU326160326160P], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCU326160326160P>, October 31, 2025.

¹²⁵ U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Metal Can Manufacturing: Aluminum Cans (Including Lids, Ends, and Parts Shipped Separately) [PCU3324313324313], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PCU3324313324313>, October 31, 2025.

At the time of the Coca-Cola Company's IPO in 1919, it had already been widely reported that caffeine, one of its main beverage ingredients, was a strong stimulant. At the time, the most common way for people to gain access to caffeine was through drinking coffee. An 1899 news report stated that the already rapid pace lived by American brainworkers forced them to seek food and drinks that quickly rebuilt their exhausted energies despite there being many studies indicating the side effects of caffeine intake.¹²⁶ Over the next century, there were many research studies showing that caffeine being the most widely used psychoactive substance that create dependence.¹²⁷ (For those interested in the subject, please see our study on Starbucks at <https://worldlypartners.com/businesshistory/> or the link below in the footnote¹²⁸) This addictive and stimulant effect leads to caffeine-based beverages having repeat consumption by consumers.

Recent research suggests that soda beverages, including Coca-Cola, are deliberately engineered to engage the brain's reward systems and encourage repeat consumption. According to a neuroscientist at Ohio State University, today's most popular soft drinks are formulated with the right balance of sugar, caffeine, and carbonation designed to make people reach for another serving.¹²⁹ Together, these ingredients activate multiple reward pathways in the brain. First, sugar triggers a rapid dopamine surge in the brain's reward center, producing a brief sense of pleasure.¹³⁰ But the effect fades quickly, prompting the desire for another hit, an example of classic reinforcement. The more you drink, the stronger the dopamine response becomes. A standard 12-ounce can of Coca-Cola contains 39 grams of sugar, more than the American Heart Association's recommended daily limit of 36 grams for men and 25 grams for women.¹³¹ Second, as mentioned above, caffeine is a psychoactive stimulant with its own dopamine-linked reinforcement. It sharpens alertness and energy, and regular use can create dependence, skipping it might make people feel withdrawal such as headaches and a lack of focus, which nudges them to get another one. Third, carbonation in the soda is not just texture. The bubbles add acidity that amplifies the euphoric "reward" feeling and slightly mutes perceived sweetness,¹³² encouraging you to drink more to chase the taste. That same fizz can intensify cravings even in diet sodas. Diet sodas swap sugar for intense sweeteners. Sweet taste primes the brain for a caloric "reward" that never arrives, so "the brain doesn't get the reward it wants... [and] says, 'go out and get me some more.'"¹³³ Ritual cues (hearing the can pop, fizz, "diet" labeling) further pre-activate dopamine, and genetics may play a role that some variants are linked to higher intake of sweetened beverages. **Put together – fast dopamine from sugar, stimulant reinforcement from caffeine, craving-boosting fizz, expectancy mismatches with artificial sweeteners, powerful rituals, and some genetic tilt – soda becomes a highly reinforcing habit for consumers.**

¹²⁶ A Scientific Report on Coffee: Shows it Can be Used by Some, and is a Poison to Others. Boston Daily Globe. 10/18/1899.

¹²⁷ Ferré S. Caffeine and Substance Use Disorders. J Caffeine Res. 2013 Jun;3(2):57-58. doi: 10.1089/jcr.2013.0015. PMID: 24761274; PMCID: PMC3680974.

¹²⁸ Starbucks Multi-Decade Study. Worldly Partners. <https://worldlypartners.com/wp-content/uploads/2024/10/Starbucks.pdf>

¹²⁹ Why Soda is so Addictive? CNN. <https://www.cnn.com/2019/10/28/health/soda-soft-drinks-addictive-drawer-food-wellness>

¹³⁰ Ahmed SH, Guillem K, Vandaele Y. Sugar addiction: pushing the drug-sugar analogy to the limit. Curr Opin Clin Nutr Metab Care. 2013 Jul;16(4):434-9. doi: 10.1097/MCO.0b013e328361c8b8. PMID: 23719144.

¹³¹ Added Sugars. American Heart Association. <https://www.cnn.com/2019/10/28/health/soda-soft-drinks-addictive-drawer-food-wellness>

¹³² In Search of a Role for Carbonation: Is This a Good or Bad Taste? Sternini, Catia. Gastroenterology, Volume 145, Issue 3, 500 – 503.

¹³³ Why Soda is so Addictive? CNN. <https://www.cnn.com/2019/10/28/health/soda-soft-drinks-addictive-drawer-food-wellness>

Business Model – Innovative and Efficient Distribution, Effective and Extensive Marketing, Timeless Formula (Coca-Cola Classic) accompanied by Diversified Product Portfolio

Being a nearly 140-year old company and a symbolic figure, in our opinion, of American culture, we observe that the Coca-Cola Company's success can be attributed to three key factors – distribution, marketing, and a timeless core product accompanied by a diversified portfolio of products.

Charlie Munger's Thought Experiment on Coca-Cola¹³⁴

Charlie Munger's 1996 "Glotz" thought experiment imagined rebuilding the Coca-Cola Company from scratch with \$2 million in 1884 and a goal of reaching a \$2 trillion valuation by 2034. The process to become successful is that the company could not get there by selling generic beverages. The name "Coca-Cola" must be forged into a legally protected, world-class trademark, then scaled from Atlanta to the U.S. and to the globe. The product must also have universal appeal by tapping elemental human needs so that the brand and the beverage can travel everywhere.

Charlie then quantifies the target. Assume about 8 billion beverage consumers by 2034, each ingesting roughly 64 ounces of water daily, equivalent to eight 8-oz servings. If flavored beverages capture 25% of that water and Coca-Cola secures half of that market, the company sells about 2.92 trillion 8-oz servings. Netting 4 cents per serving yields approximately \$117 billion in earnings. If growth remains strong, it is reasonable to support a \$2 trillion value (about 17x earnings). The 4 cents margin, he argues, is realistic over 150 years with currencies depreciation and consumers becoming wealthier and more willing to pay for small daily pleasures, and technology lowers real production costs – four forces that easily compound in Coke's favor.

Charlie also frames the business as manufacturing conditioned reflexes with brand stimuli that elicits repeat purchase and consumption by using both operant and classical (Pavlovian) conditioning. Operant conditionings include maximizing the reward of each service and minimizing extinction of the reflexes by competitors. Practically, that means a beverage that has a food value in calories or other input, a cooling effect when consumers are too hot (which also lead to more liquid consumption, while the opposite it not true), with sugar and caffeine, which are proven stimulants, and obsessive, trial-and-error optimization of flavor, texture, and aroma. To starve competitors of trial, availability must be ubiquitous such that the product should be "always and everywhere" so rival habits never form.

Classical conditioning does the rest by merely associating Coca-Cola with everything people like or admire sustained by massive, continuous advertising and promotion. As Coca-Cola spends large amount of money on marketing as far ahead as possible, competitors will face disadvantages of scale in buying advertising to create similar conditioning effects needed.

Design choices follow from these psychology levels. Choose the exotic, evocative name "Coca-Cola," not something generic such as "Sugared, Caffeinated Water". Making the beverage look and feel premium with colored like wine instead of sugar water, carbonated like champagne raises perceived value and complicate imitation and keeping the flavor distinct so no rival gets a free ride from a standard taste profile. Spending extensively on advertising cements associations and accelerates social proof. Social proof magnifies the loop; each visible act of consumption nudges the next, creating a positive reinforcement cycle.

Logistically, Coca-Cola sells both syrups to fountains and restaurants and finished products in containers. Centralizing syrup works and bottling requires many local plants to avoid shipping water and air. The hypothetical company should also maintain pricing power by keeping bottlers as subcontractors rather than syrup vendees under perpetual, fixed-price franchises to maximize profit; and guard the flavor formula as a trade secret. Even when chemistry eventually enables close copying, Coca-Cola's head start in brand, distribution, and psychology should hold the moat, aided by technological tailwinds such as refrigeration, transport, and low-calorie sweeteners.

Finally, Charlie stress-tests the plan by listing what to avoid. First, the beverage made by the hypothetical Coca-Cola should avoid aftertastes that curb consumption. The flavor must invite repeated drinking on hot days. Second, never lose even half the trademark's power as "cola" genericization is costly. Third, avoid envy by deserving success and be relentlessly focused on quality and fair value for a harmless pleasure. Fourth, do not make a big and sudden flavor change once entrenched; deprivation-super reaction and a competitor's ability to offer the "old taste" would be disastrous. In reality, Coca-Cola deviated at times, e.g., "cola" was used by competitors, formula changed to altered the original flavor, and some perpetual bottling deals proved troublesome and were difficult to change, but broadly followed the

¹³⁴ "Practical Thought about Practical Thought?" Poor Charlie's Almanack.

blueprint that Charlie outlined: build a trademarked habit, scale it worldwide, wire it into psychology, and make it available everywhere.

Innovative Franchise Bottling and Distribution

Coca-Cola's franchise bottling model took shape in the 1890s. In 1894, Joseph Biedenharn, a candy merchant and soda-fountain operator in Vicksburg, Mississippi, began bottling the popular fountain drink and delivering it to rural customers, making him Coca-Cola's first bottler.¹³⁵ He and his family later secured franchises across Mississippi, Louisiana, and Texas.¹³⁶

The real formative point, in our opinion, came in 1899, when Asa Candler sold the exclusive, perpetual rights to bottle Coca-Cola in most of the United States to two Chattanooga lawyers, Benjamin F. Thomas and Joseph B. Whitehead, for one dollar.¹³⁷ Chattanooga became the first city to bottle Coca-Cola under the contract, setting the template for the company's business model for the next century. A third Chattanooga lawyer, John T. Lupton, soon joined the partnership, and together the trio rapidly expanded the network.

By 1906, bottling operations had begun in Canada, Cuba, and Panama, Coca-Cola's first markets outside the United States.¹³⁸ Between 1900 and 1909, Thomas, Whitehead, and Lupton divided the U.S. into territories, selling perpetual bottling rights to local entrepreneurs. Advances in bottling technology during this period improved efficiency and product quality, fueling expansion. **By 1904, Coca-Cola had more than 120 bottling plants;¹³⁹ by 1909, nearly 400 bottling plants, most of them family-owned, were operating.¹⁴⁰ The Philippines followed in 1912, marking Coca-Cola's entry into Asia.¹⁴¹ Available data shows that from 1898, before franchising bottling operations, to 1931, Coca-Cola's annual sales volume of syrup increased from 214,008 gallon to nearly 27 million gallon,¹⁴² a 15.7% CAGR.**

From 1938 to 2024, cases of soft drinks sold by Coca-Cola increased from 207 million cases to 33.7 billion cases in 2024,¹⁴³ an estimated 6% CAGR for nearly nine decades. We think that the significant difference between these two growth rates likely reflects both the different time periods and the different base numbers of measurement – syrup volume versus finished product. Since a typical ratio of carbonated beverage to syrup is about 5 to 1,¹⁴⁴ this would likely result in a lower growth rate for finished products as their base number was larger. In addition, some syrup is mixed directly at the point of sale (e.g., fountain service) rather than being sold as packaged cases, meaning total syrup sales may actually exceed the implied underlying usage from finished products sold in cases.

¹³⁵ The Asa Candler Era. The Coca-Cola Company. <https://www.coca-colacompany.com/about-us/history/the-asa-candler-era>

¹³⁶ Biedenharn Coca-Cola Museum: Where Coke Was First Bottled in 1894. <https://www.biedenharncoca-colamuseum.com/mural.htm>

¹³⁷ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1890s>; The History of Coca-Cola. <https://cocacolaunited.com/blog/2015/07/11/10623/>; Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999. <https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

¹³⁸ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1900s>

¹³⁹ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999. <https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

¹⁴⁰ The History of Coca-Cola. <https://cocacolaunited.com/blog/2015/07/11/10623/>; Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999. <https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

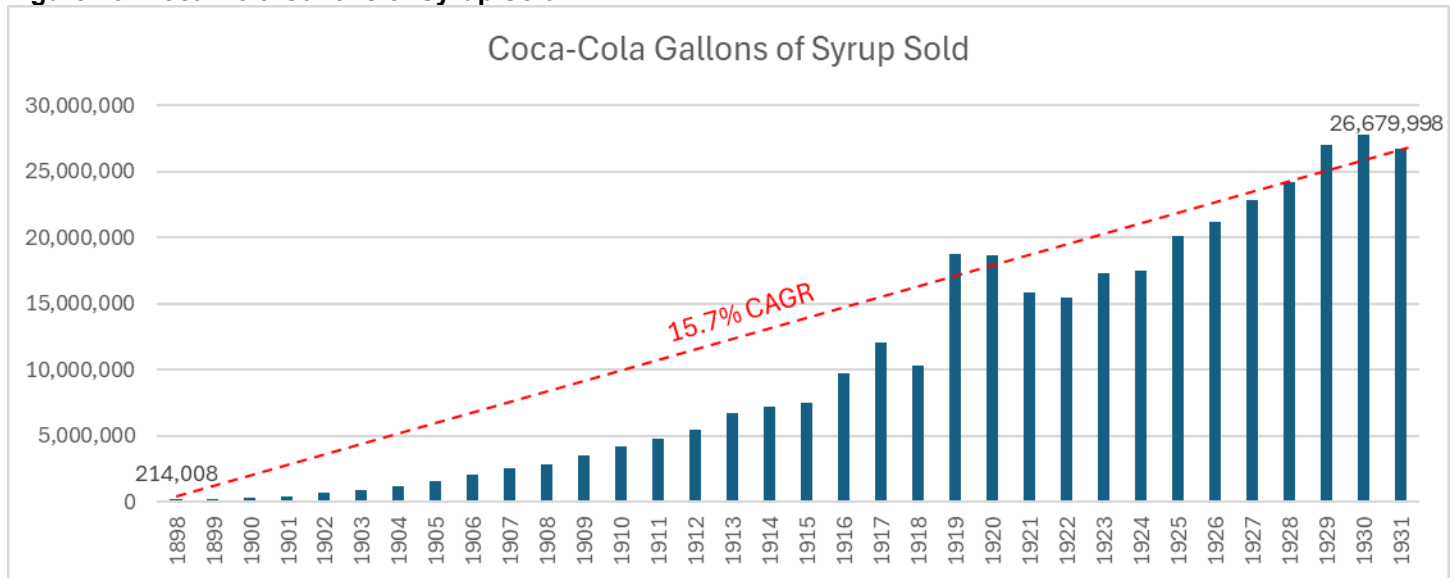
¹⁴¹ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1910s>

¹⁴² The Coca-Cola Company Annual Report 1922 – 1931.

¹⁴³ Berkshire Hathaway Shareholder Letter 1993. <https://www.berkshirehathaway.com/letters/1993.html>; The Coca-Cola Company Annual Report 2024.

¹⁴⁴ Product. <https://mfspecialties.com/Product.dmx?wid=8b1a39ae-d9f7-44ed-9187-d5fd620e3cd6>

Figure 16: Coca-Cola Gallons of Syrup Sold¹⁴⁵



The perpetual and exclusive nature of these bottling rights incentivized local bottlers, from our perspective, to market Coca-Cola extensively without worrying about competing bottlers benefiting from their efforts because there was none. By 1940, Coca-Cola dominated the carbonated soft drink market, accounting for roughly half of total U.S. sales,¹⁴⁶ and 60% by 1948.¹⁴⁷ Although rivals later adopted similar franchising models by granting exclusive territories and investing heavily in advertising, we believe Coca-Cola's early start gave it a lasting advantage. Pepsi-Cola, for instance, was invented in 1893 but did not establish its first bottling franchise until 1905;¹⁴⁸ Royal Crown Cola also began bottling that same year,¹⁴⁹ and 7-Up entered the market only in 1929.¹⁵⁰ **By 1960, Coca-Cola, Pepsi, Royal Crown, and 7-Up together controlled about 72% to 75% of U.S. carbonated soft drink sales, with Coca-Cola alone holding around 37%.¹⁵¹**

Unlike traditional manufacturers that own extensive production facilities, the Coca-Cola Company developed an asset-light system centered on brand ownership and syrup production. **The company produces concentrates, beverage bases, and syrups while owning its brands and global marketing.** Independent bottling partners handle manufacturing, packaging, merchandising, and local distribution to retailers, restaurants, and venues, executing localized strategies in partnership with the company.¹⁵² **According to a 1999 report by the Federal Trade Commission and Bureau of Economics, syrup accounts for roughly 10% of the total cost of a finished carbonated soft drink.¹⁵³ This implies that bottlers typically bear about 90% of the cost of producing a serving of Coca-Cola, highlighting the capital-intensive nature of their role within the system.** We believe this structure allows the Coca-Cola Company to capture value from a vast global network of physical assets without directly owning or financing them. It effectively

¹⁴⁵ The Coca-Cola Company Annual Report 1922 – 1931.

¹⁴⁶ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

¹⁴⁷ New Coke and Coca-Cola Classic. What the Story Says About America. <https://time.com/3950205/new-coke-history-america/>

¹⁴⁸ The History of Pepsi. Leader Distribution Systems. <https://pepsibrattleboro.com/the-history-of-pepsi/>

¹⁴⁹ Hatcher Family Cola Museum - Columbus Collective Museums. <https://www.columbuscollectivemuseums.com/hatcher-family-cola-museums/>

¹⁵⁰ The History of 7UP and Charles Leiper Grigg. <https://www.thoughtco.com/history-of-7up-charles-leiper-grigg-4075324>

¹⁵¹ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

¹⁵² The Coca-Cola System. <https://www.coca-colacompany.com/about-us/coca-cola-system>

¹⁵³ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

separates the brand and intellectual property business from the operational complexity of beverage production and distribution. The scale of this dynamic is evident in the modern workforce: **as of 2024, the Coca-Cola Company employed about 69,700 people, while the broader Coca-Cola system, including bottling partners, employed over 700,000.**¹⁵⁴ Together, the system generates an estimated \$175 billion in annual revenue,¹⁵⁵ of which the company itself accounts for \$47 billion, or roughly 27% of the total, with just 10% of the workforce. We believe this difference illustrates how the company's asset-light model enables it to leverage an enormous industrial footprint while maintaining a lean structure.

Examples of Bottler Economics

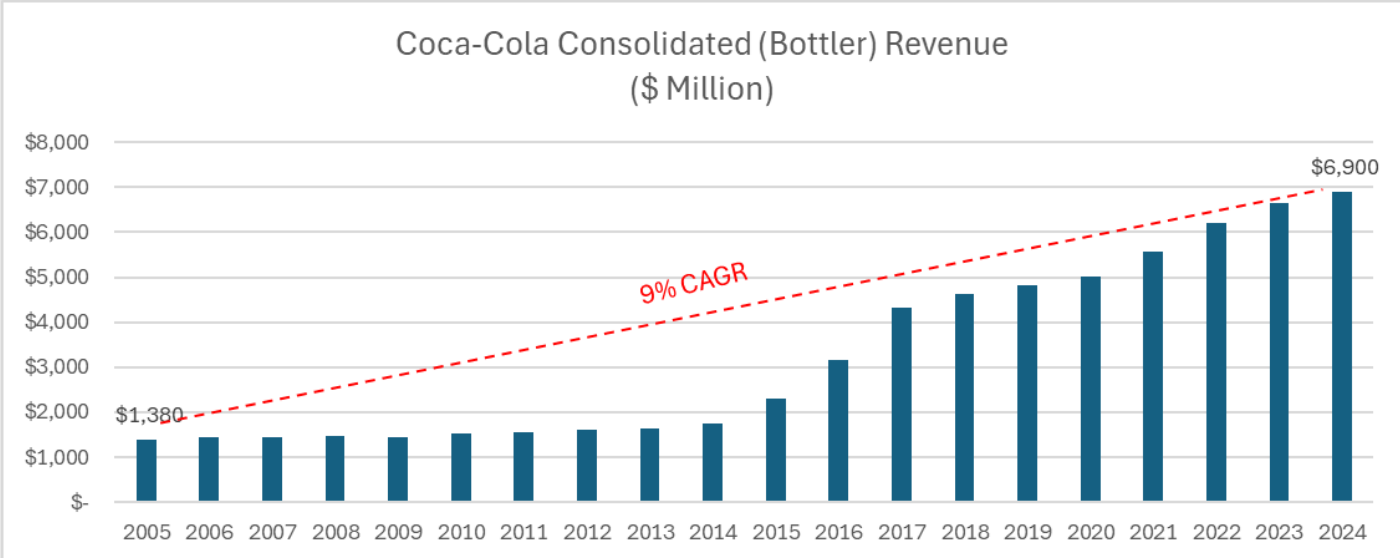
Coca-Cola Consolidated

Coca-Cola Consolidated is the largest Coca-Cola bottler in the United States.¹⁵⁶ The company makes, sells, and distributes both sparkling and still beverages of The Coca-Cola Company and other partner companies in more than 300 brands and flavors across 14 states and the District of Columbia to approximately 60 million consumers. The company is based in the Southeast, Midwest, and Mid-Atlantic portion of the U.S. As of 2024, approximately 85% of the company's total bottle and can sales volume to retail customers consists of products of the Coca-Cola Company.¹⁵⁷

Over the past two decades, from 2005 to 2024, Coca-Cola Consolidated has maintained an average gross margin of around 39% and an operating margin of roughly 6%. Its selling, delivery, and administrative costs have averaged about 33% of total revenue. By comparison, the Coca-Cola Company's SG&A expenses averaged around 35% of revenue during the same period. This suggests that the Coca-Cola Company can redirect the portion of costs saved from bottling, last-mile delivery, and customer relationship management to global marketing initiatives and strengthening its brand image.

During this period, the bottler also achieved an average ROTCE of 23% and a median of 19%, versus The Coca-Cola Company's 103% and 75%, respectively. The bottler's average ROIC was about 7%, with a median of 5%, compared to the Coca-Cola Company's mid-teen range, underscoring the advantages of Coca-Cola's asset-light operating model.

Figure 17-1: Coca-Cola Consolidated (Bottler) Revenue

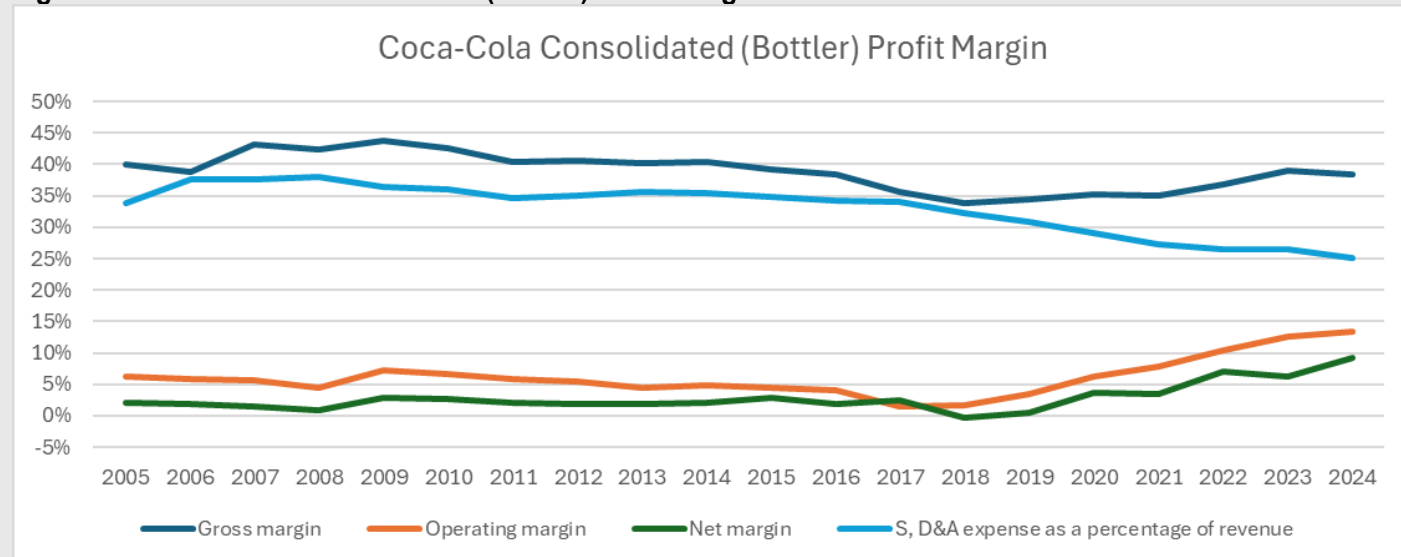


Note:

1. The data above was obtained from FactSet, which may have restated certain figures.

¹⁵⁴ About Us. The Coca-Cola Company. <https://www.coca-colacompany.com/about-us>; The Coca-Cola Company Annual Report 2024.
¹⁵⁵ The Coca-Cola Company Proxy Statement 2025.
¹⁵⁶ About Us - Coca-Cola Consolidated. <https://www.cokeconsolidated.com/about-us/>
¹⁵⁷ Coca-Cola Consolidated Annual Report 2024.

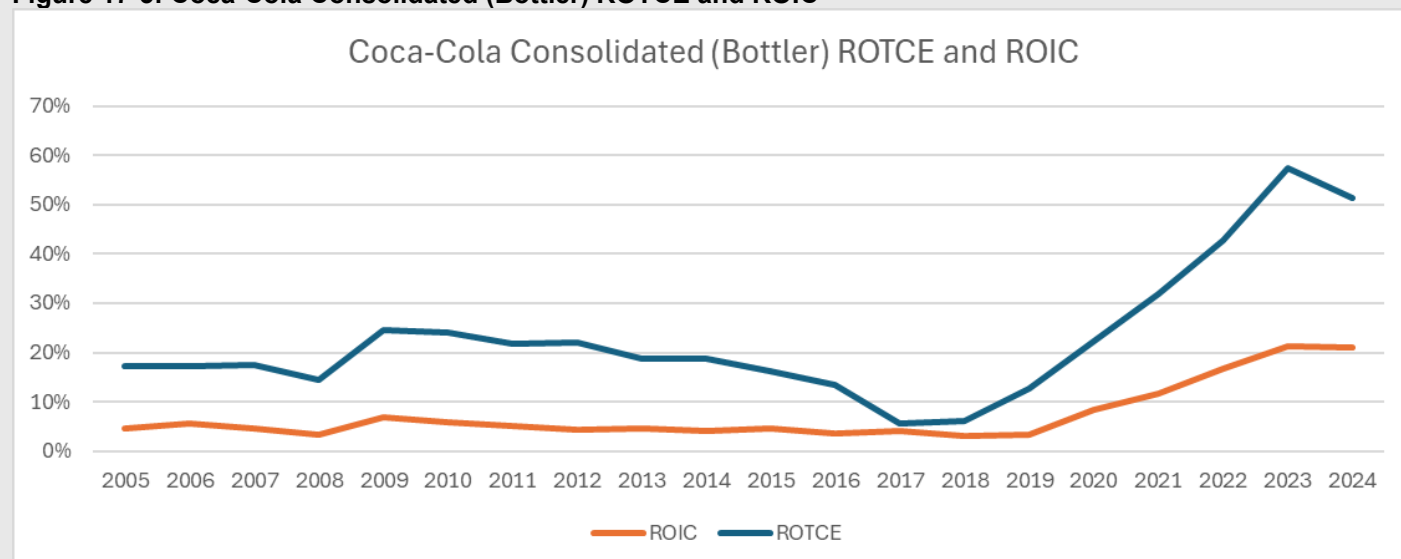
Figure 17-2: Coca-Cola Consolidated (Bottler) Profit Margin



Notes:

1. The underlying data for the above chart was obtained from FactSet, which may have restated certain figures.
2. S, D&A expenses indicate selling, delivery, and administrative expenses.

Figure 17-3: Coca-Cola Consolidated (Bottler) ROTCE and ROIC



Notes:

1. The underlying data for the above chart was obtained from FactSet, which may have restated certain figures.
2. From 2005 to 2024, Coca-Cola Consolidated achieved an average ROTCE of 23% and a median of 19%, while its ROIC averaged around 7% with a median of approximately 5%.

Coca-Cola FEMSA

Coca-Cola FEMSA is the largest franchise bottler of Coca-Cola trademark products in the world by sales volume, accounting for approximately 12.5% of the total sales volume of the Coca-Cola system in the world as of 2024. The bottler produces and distributes Coca-Cola trademark beverages, offering a wide portfolio of brands to approximately 276 million consumers each day, covering regions primarily in certain part of Mexico and Central America. With more than 93,000 employees, the company markets and sells approximately 4.2 billion unit cases per year through approximately 2.2 million points of sale. It operates 56 bottling plants and 256 distribution centers.¹⁵⁸

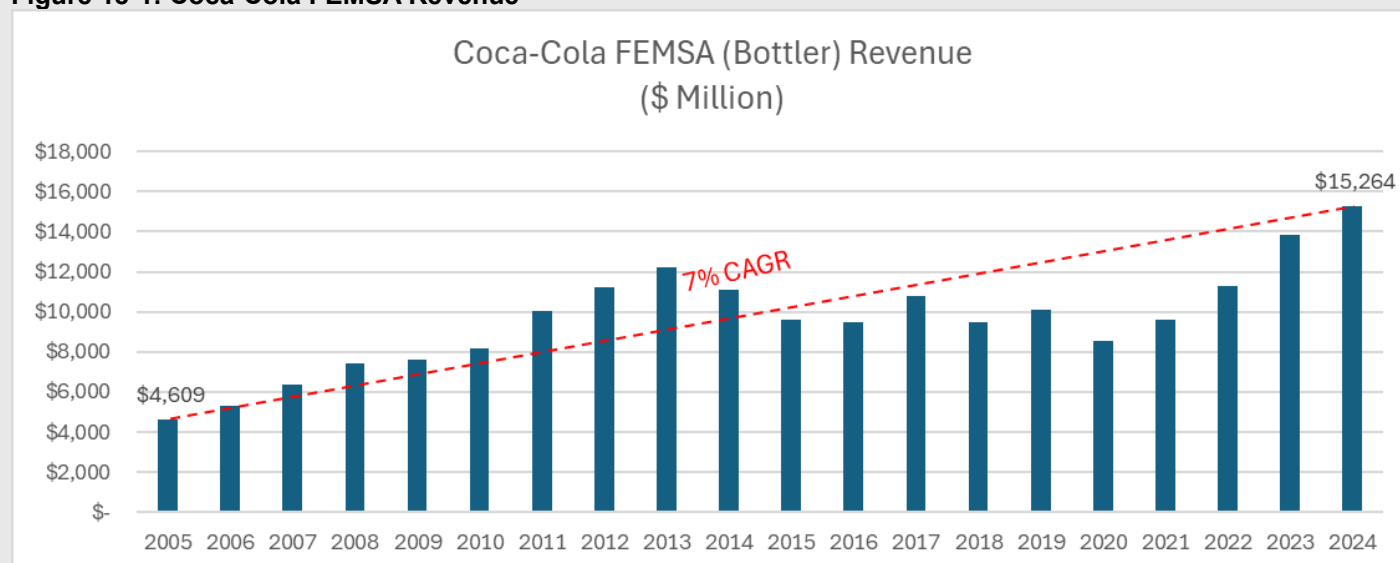
Over the past two decades, from 2005 to 2024, Coca-Cola FEMSA has maintained an average gross margin of around 46% and an operating margin of roughly 15%. Its selling, delivery, and administrative costs have averaged about 31%

¹⁵⁸ Coca-Cola FEMSA 20-F 2024.

of total revenue. By comparison, the Coca-Cola Company's SG&A expenses averaged around 35% of revenue during the same period. Similarly, this suggests that the Coca-Cola Company can redirect the portion of costs saved from bottling, last-mile delivery, and customer relationship management to global marketing initiatives and strengthening its brand image.

During this period, the bottler also achieved both an average and median ROTCE of around 51%, versus The Coca-Cola Company's 103% and 75%, respectively. The bottler's average and median ROIC were about 11%, compared to the Coca-Cola Company's mid-teen range, underscoring the advantages of Coca-Cola's asset-light operating model.

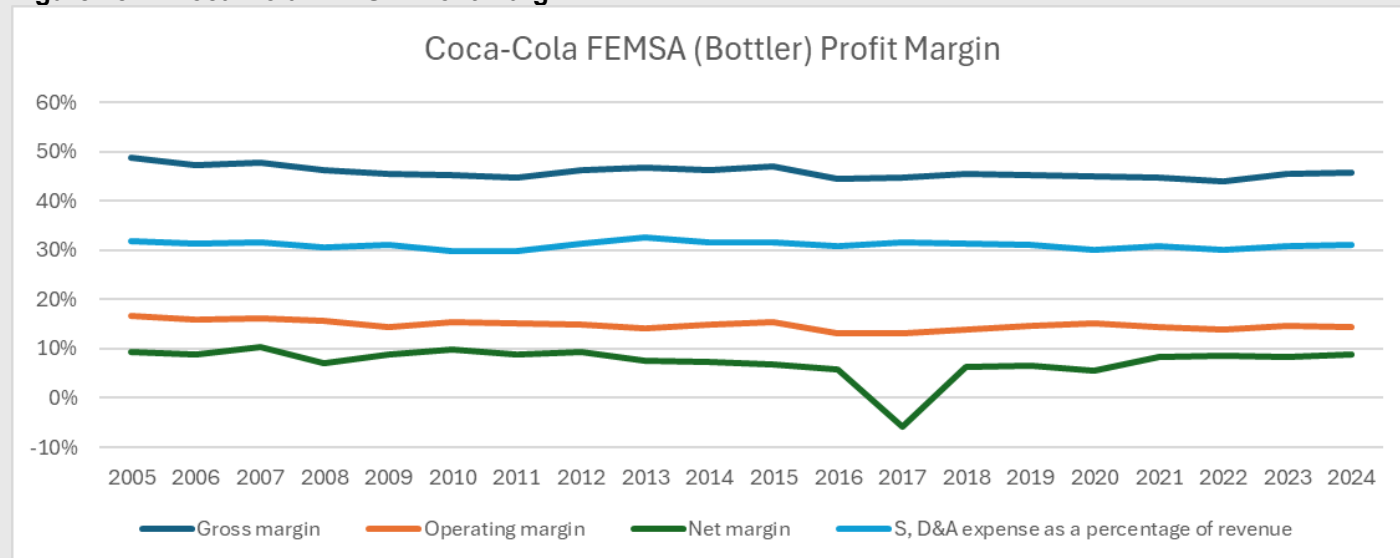
Figure 18-1: Coca-Cola FEMSA Revenue



Note:

1. The data above was obtained from FactSet, which may have restated certain figures.

Figure 18-2: Coca-Cola FEMSA Profit Margin

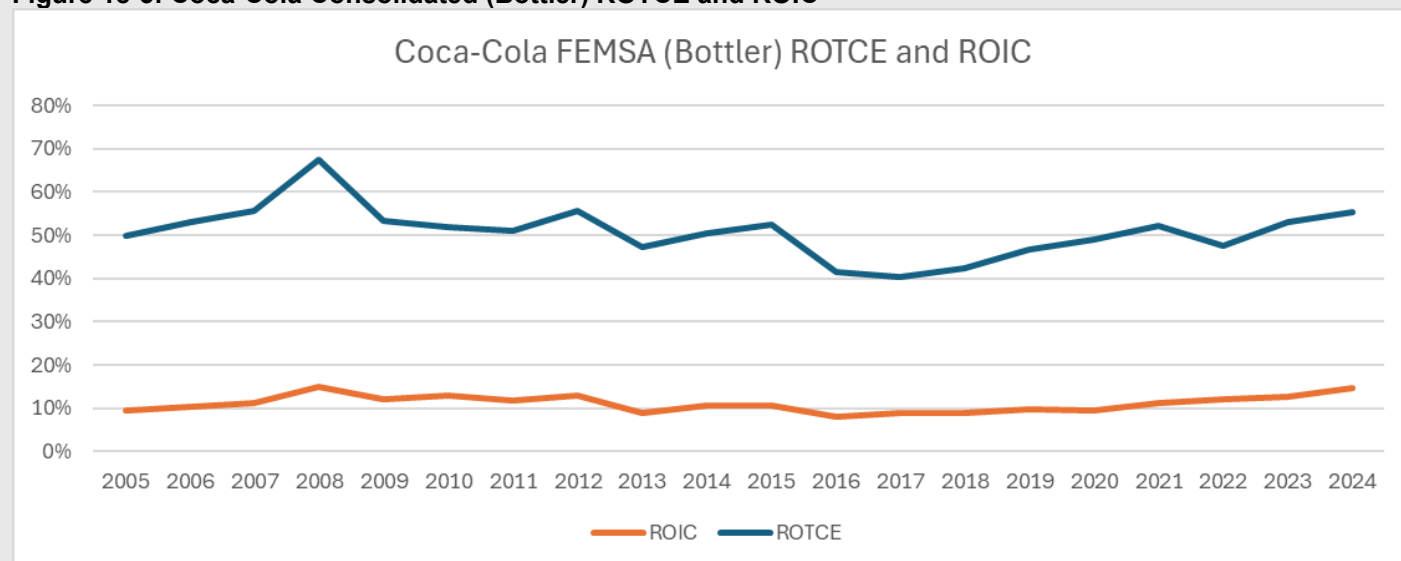


Notes:

1. The underlying data for the above chart was obtained from FactSet, which may have restated certain figures.
2. S, D&A expenses indicate selling, delivery, and administrative expenses.
3. The net loss in 2017 was due to the hyperinflation in Venezuela, resulting an accounting change by deconsolidating Venezuela operations and thus recognizing an extraordinary loss.¹⁵⁹

¹⁵⁹ Coca-Cola FEMSA 20-F 2017.

Figure 18-3: Coca-Cola Consolidated (Bottler) ROTCE and ROIC



Notes:

1. The underlying data for the above chart was obtained from FactSet, which may have restated certain figures.
2. For the 2017 ROIC calculation, a statutory tax rate of 30% in Mexico was applied, as the company's effective tax rate for that year was negative.
3. From 2005 to 2024, Coca-Cola FEMSA achieved an average ROTCE of 51% and a median of 52%, while both of its average and median ROIC were around 11%.

Coca-Cola Europacific Partners

Coca-Cola Europacific Partners is the world's largest Coca-Cola bottler by revenue.¹⁶⁰ The company produces, distributes, and sells Coca-Cola products across 31 markets throughout Europe, Southeast Asia, and Australia Pacific. As of 2024, it serves more than 4 million customers and reaches over 600 million consumers, supported by a workforce of about 41,000 employees. Formed in 2016 through the merger of Coca-Cola Enterprises, Coca-Cola Iberian Partners, and Coca-Cola Erfrischungsgetränke GmbH, the company became the largest independent Coca-Cola bottler in the world by net sales.¹⁶¹

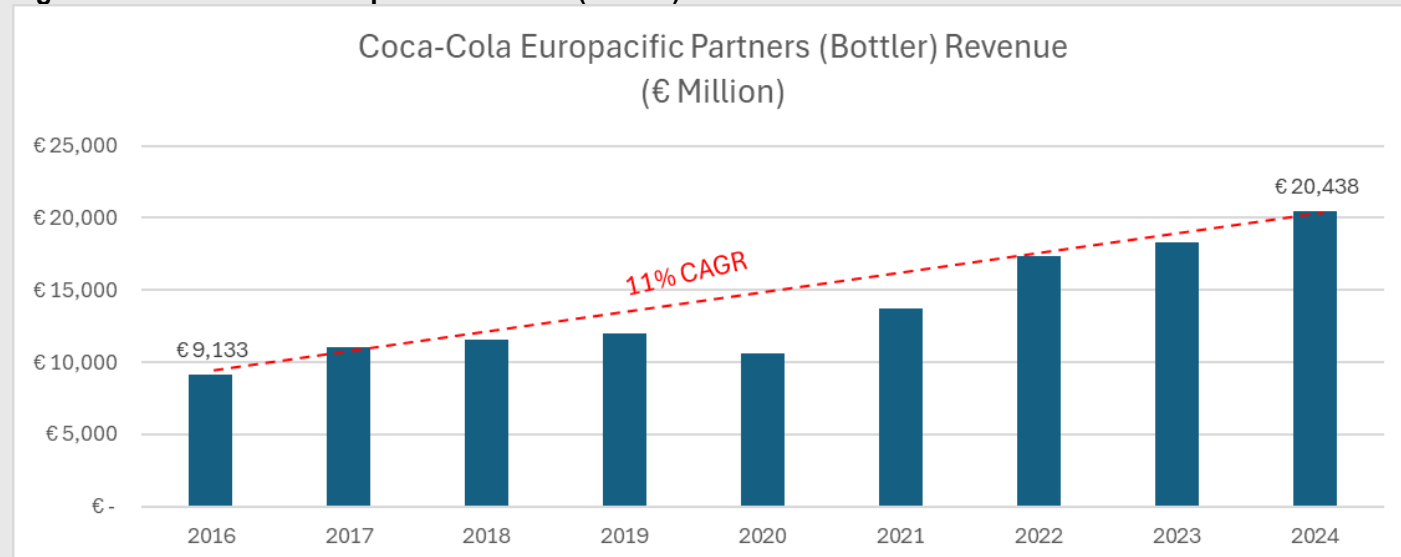
From 2016 to 2024, Coca-Cola Europacific Partners has maintained an average gross margin of around 37% and an operating margin of roughly 11%. Its selling, delivery, and administrative costs have averaged about 26% of total revenue. By comparison, the Coca-Cola Company's SG&A expenses averaged around 32% of revenue during the same period.

During this period, the bottler also achieved both an average and median ROTCE of less than 40%, versus The Coca-Cola Company's 147% and 123%, respectively. The bottler's average and median ROIC were about 11%, compared to the Coca-Cola Company's around 12%.

¹⁶⁰ Coca-Cola Europacific Partners Factsheet 2024.

¹⁶¹ Coca-Cola European Partners plc Combination Completed. <https://ir.cocacolaep.com/news-releases/news-release-details/coca-cola-european-partners-plc-combination-completed-creates>

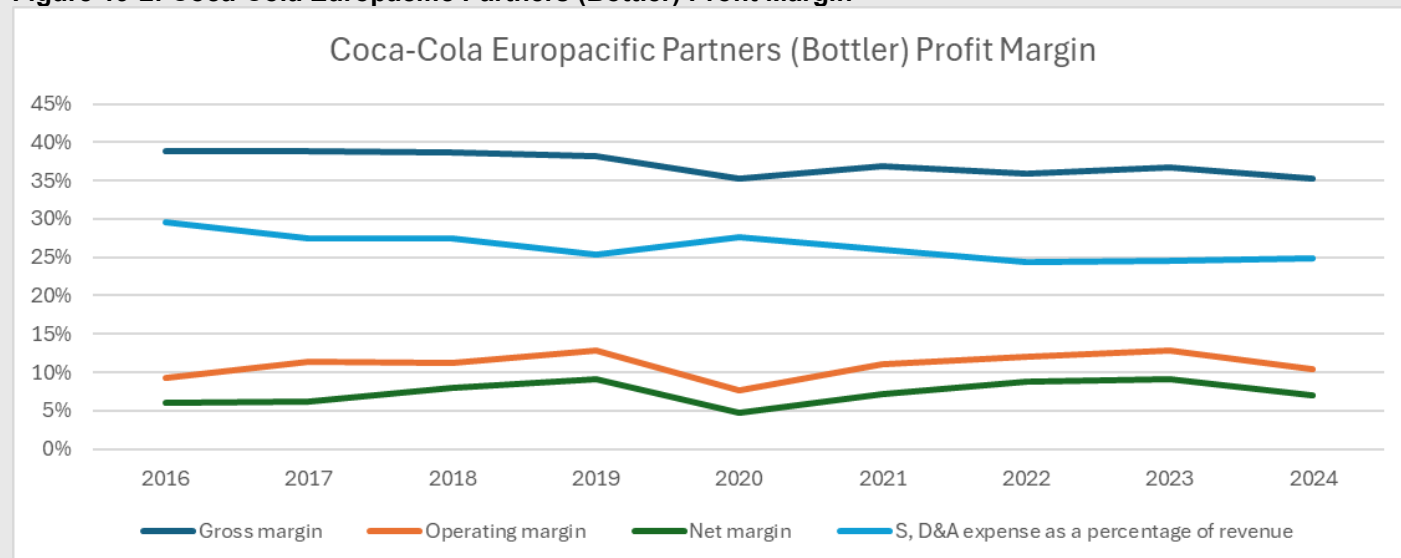
Figure 19-1: Coca-Cola Europacific Partners (Bottler) Revenue



Note:

1. The data above was obtained from FactSet, which may have restated certain figures.

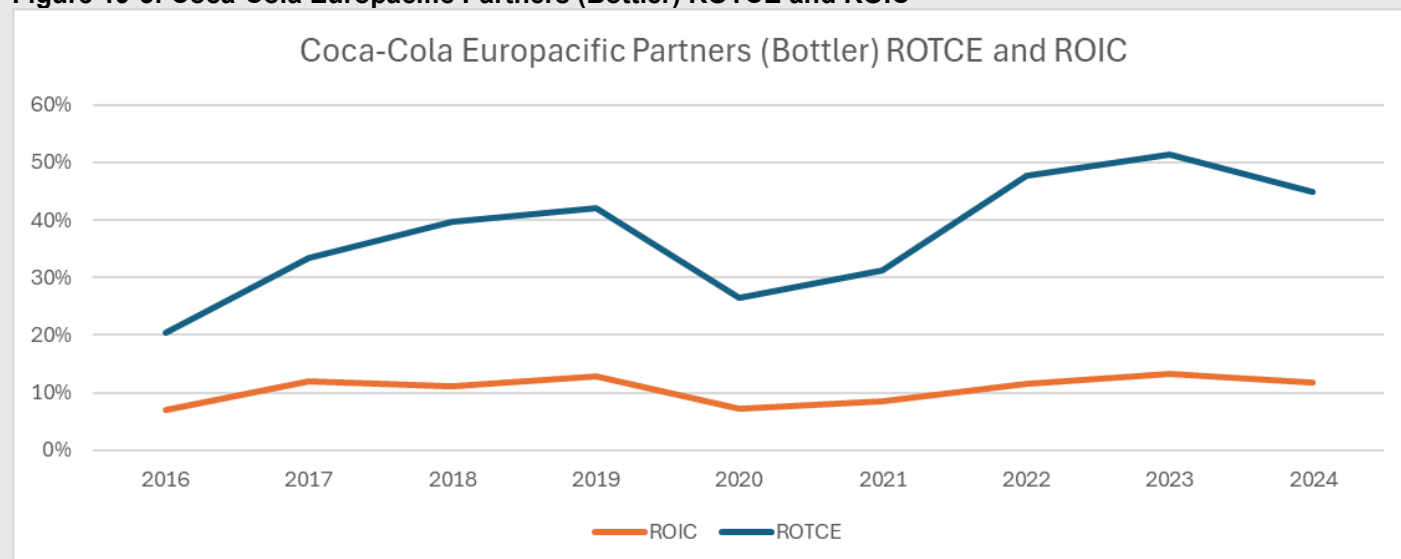
Figure 19-2: Coca-Cola Europacific Partners (Bottler) Profit Margin



Notes:

1. The underlying data for the above chart was obtained from FactSet, which may have restated certain figures.
2. S, D&A expenses indicate selling, delivery, and administrative expenses.

Figure 19-3: Coca-Cola Europacific Partners (Bottler) ROTCE and ROIC



Notes:

1. The underlying data for the above chart was obtained from FactSet, which may have restated certain figures.
2. From 2016 to 2024, Coca-Cola Europacific Partners achieved an average ROTCE of 38% and a median of 40%, while its ROIC averaged around 11% with a median of approximately 12%.

As of 2024, the Coca-Cola system comprises roughly 200 bottling partners operating about 950 production facilities worldwide.¹⁶² Over the decades, the company has periodically consolidated and then refranchised its bottlers to adapt to shifting market needs. During the 1970s and 1980s, as many retailers grew into multinational chains, smaller bottlers merged to better serve global customers.¹⁶³ Coca-Cola often invested in or supported these bottlers to ensure system-wide capacity and consistency. After a major refranchising wave in the 2010s, revenue from bottling investments accounted for only about 13% of Coca-Cola's net revenue by 2024, down from roughly 52% a decade earlier.¹⁶⁴ In our opinion, the shift underscores Coca-Cola's focus on its core strengths: brand leadership, syrup production, and global system management.

As of 2024, bottling agreements between the Coca-Cola Company and its authorized bottlers are typically of stated duration and subject to renewal. **Under most agreements, the company retains full discretion to set the prices and terms of the concentrates and syrups it sells.** Coca-Cola uses an incidence-based concentrate pricing model in most markets, in which concentrate prices are influenced by factors such as bottler pricing, sales channels, and package mix, as well as other factors. Bottlers, in turn, have discretion to set retail prices within their authorized territories.¹⁶⁵ A few legacy agreements, such as those signed before 1978, remain perpetual and use older pricing formulas tied to sugar or sweetener costs.¹⁶⁶ These agreements limit the company's flexibility, as the base price may only be adjusted periodically (i.e., quarterly), up to an indexed ceiling, based on fluctuations in input costs. It is important to note that specific terms might vary depending on factors such as products, regions, and bottler specific.

Despite these variations, from our perspective, the modern Coca-Cola system operates with a high degree of coordination and mutual dependence. **The company's asset-light, franchise-based structure remains, in our opinion, one of its greatest competitive advantages, allowing Coca-Cola to sustain global reach, operational flexibility, and strong profitability well into the 21st century.**

¹⁶² The Coca-Cola System. <https://www.coca-colacompany.com/about-us/coca-cola-system>

¹⁶³ The History of Coca-Cola. <https://cocacolaunited.com/blog/2015/07/11/10623/>

¹⁶⁴ The Coca-Cola System. <https://www.coca-colacompany.com/about-us/coca-cola-system>

¹⁶⁵ Coca-Cola FEMSA 20-F 2024; Coca-Cola Bottling Co. Consolidated 10-K 2024.

¹⁶⁶ The Coca-Cola Company 10-K. 1993, 2024.

Example: Piedmont Coca-Cola Bottling Partnership¹⁶⁷

Publicly available information provides an idea of how the Coca-Cola Company structures its bottling agreements with local partners such as the Piedmont Coca-Cola Bottling Partnership.

Under these agreements, the Coca-Cola Company grants each bottler exclusive territorial rights to produce, distribute, and sell Coca-Cola beverages within a defined “First-Line Territory.” The bottler becomes the sole and exclusive distributor of Coca-Cola products in that area, operating entirely within Coca-Cola’s strict system standards. While bottlers handle all local operations such as sales, delivery, warehousing, and customer relationships, Coca-Cola maintains tight control over its brands, trademarks, and formulas. The Coca-Cola Company owns all trademarks and merely licenses them to the bottler for marketing and distribution within the assigned territory. This license is exclusive and royalty-free, but subject to Coca-Cola’s ongoing oversight to ensure brand consistency.

The Coca-Cola Company also determines where bottlers can source their products. Bottlers may only purchase concentrate, beverage base, or other key components from authorized suppliers, typically the Coca-Cola Company itself, one of its affiliates, or an approved regional producing bottler. If the bottler is licensed to manufacture beverages directly, that permission is covered by a separate manufacturing authorization.

Furthermore, the Coca-Cola Company reserves the right to set and revise concentrate prices at its discretion and to reformulate, discontinue, or introduce products as it sees fit. It also oversees national marketing initiatives and must approve any advertising materials to ensure alignment with global brand standards.

Selling Coca-Cola products outside of a bottler’s designated territory is strictly prohibited. If products from one bottler appear in another’s market, the originating bottler is deemed a “Transshipping Bottler,” and disputes are resolved according to Coca-Cola’s internal rules.

Finally, the system also accommodates “Multiple Route to Market” arrangements – such as food service or fountain channels – where Coca-Cola may sell directly or through alternate means. In these cases, bottlers often retain the opportunity to share in the economic benefits under separate agreements.

In essence, this structure allows Coca-Cola to decentralize operations while maintaining complete control over its brands and product standards, ensuring global consistency across a network of independently operated bottlers.

Innovation in packaging also played a crucial role in the brand’s growth in our opinion. In its early years, to combat imitators such as “Koka-Nola” and “Ma Coca-Co,” lawsuits were slow, and paper labels peeled off in ice water the beverages were sold, so in 1915 the Coca-Cola Company rallied bottlers to fund a “distinctive package” that could be identified “by feel in the dark or lying broken on the ground.”¹⁶⁸ In 1915, the Root Glass Company of Terre Haute, Indiana, won a design competition with a distinctive contour inspired by the cocoa pod. The 6.5-ounce “Georgia Green” bottle, heavy and instantly recognizable by touch, debuted in 1916 and was distributed nationwide by 1920.

The contour bottle remained Coca-Cola’s only packaging for the next 40 years, until the introduction of king-size bottles in 1955, which came in 10-, 12-, 16-, and 26-ounce sizes alongside the classic 6.5-ounce version.¹⁶⁹ When the original patents expired in 1951, Coca-Cola secured trademark protection for the bottle’s “distinctively shaped contour” on April 12th, 1961, an unusual approval for a commercial package, helped by a 1949 study showing that fewer than 1% of Americans could not identify the bottle by its shape alone.¹⁷⁰

¹⁶⁷ Comprehensive Beverage Agreement between The Coca-Cola Company and Piedmont Coca-Cola Bottling Partnership. https://www.sec.gov/Archives/edgar/data/317540/000156459017010528/coke-ex106_277.htm

¹⁶⁸ The History of the Coca-Cola Contour Bottle. <https://www.coca-colacompany.com/about-us/history/the-history-of-the-coca-cola-contour-bottle>

¹⁶⁹ Coca-Cola: A Short-History-125-Years-Booklet. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

¹⁷⁰ The History of the Coca-Cola Contour Bottle. <https://www.coca-colacompany.com/about-us/history/the-history-of-the-coca-cola-contour-bottle>

In parallel, Coca-Cola transformed how consumers purchase soft drinks from our perspective. The company introduced the six-pack carton in 1923, patenting it a year later.¹⁷¹ Although the six-pack carrier is commonly seen today, this simple but revolutionary innovation at the time encouraged take-home consumption, just as household refrigeration became more common. By 1928, bottled Coca-Cola sales had surpassed fountain sales for the first time.¹⁷²

Figure 20: Coca-Cola Contour Bottles¹⁷³



Furthermore, the Coca-Cola Company also revolutionized the carbonated soft drink industry at the point of sale. In 1933 the company introduced the industry's first automatic soda-fountain dispenser, which cooled and mixed carbonated water and syrup with a pull of a handle. This innovation replaced manual mixing and improved temperature control and flavor consistency, helping deliver "the perfect ice-cold Coca-Cola."¹⁷⁴

¹⁷¹ Coca-Cola: A Short-History-125-Years-Booklet. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

¹⁷² 11 Facts About the Coca-Cola Contour Bottle. <https://www.coca-colacompany.com/about-us/history/11-facts-about-the-coca-cola-contour-bottle>

¹⁷³ Coca-Cola: A Short-History-125-Years-Booklet. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

¹⁷⁴ Dispensing Refreshment. <https://www.coca-colacompany.com/about-us/history/dispensing-refreshment-these-innovations-that-have-helped-spread-enjoyment>

Figure 21: Coca-Cola Automatic Fountain Dispenser¹⁷⁵



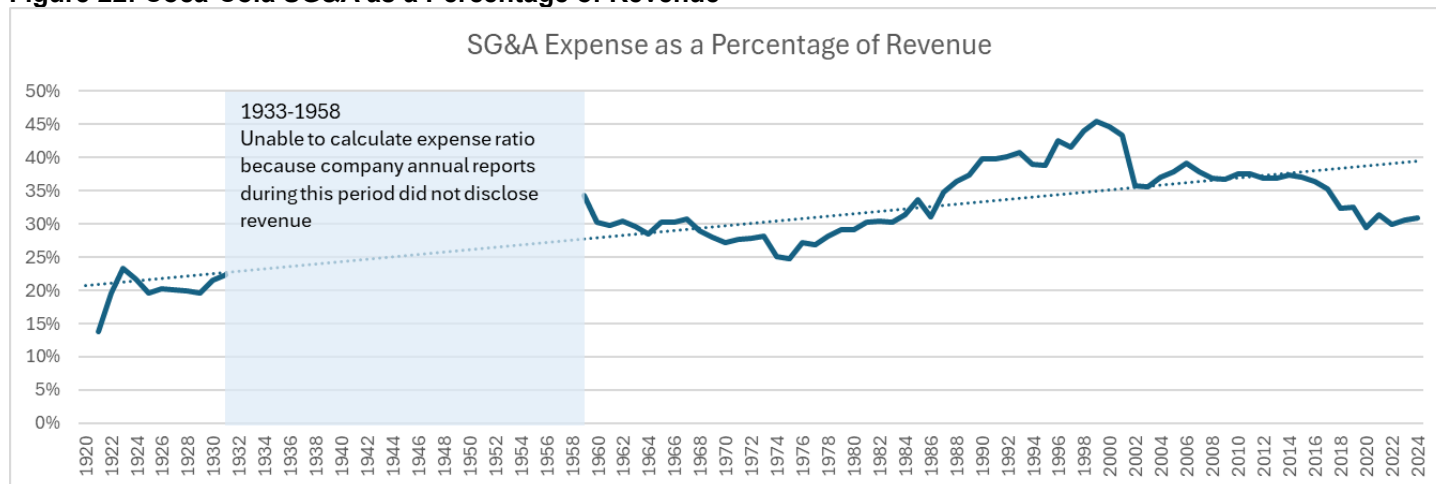
Extensive, Effective, and Consistent Marketing on “Satisfaction,” “Togetherness/Sharing,” “Happiness,” and “Excellence”

Some have argued that Coca-Cola’s long time business success is partly due to its “secret recipe” since its first debut in the late 1800s.¹⁷⁶ It is impossible to know whether there are secret ingredients in the company’s original recipes as they had been stored in a vault in the SunTrust Bank (merger of Trust Company of Georgia and SunBanks in 1985) in Atlanta since 1925. The recipe was only moved to a 10-foot-tall vault at the World of Coca-Cola, the company’s attraction in downtown Atlanta, which the company opened in 2011.¹⁷⁷ However, the “secret recipe” undoubtedly functions as a powerful brand asset. Originating with John Pemberton’s 1886 formula, Coca-Cola says the recipe was first written down in 1919 as collateral for an acquisition loan and then stored in an Atlanta bank for decades. In a carefully staged piece of brand theater, the company later moved the document to a high-security vault at the World of Coca-Cola museum, coupled with claims that only two executives know the formula at any time.

Marketers and historians note that such secrecy signals quality, sparks curiosity, and protects trade secrets, if any, without patent disclosure. A social psychologist and marketing expert from London School of Economics stated that Coca-Cola’s idea of “secret recipe” attract attention, and is often seen as an element of quality, leading customers think that the product must be valuable if they are doing all these things to protect it.¹⁷⁸ Author Mark Pendergrast, while skeptical of the mythology, publishes two versions he believes reflect the original formula, but he also noted that a spokesperson from Coca-Cola rejected all “revealed” recipes as false and told him that “Why would anyone go out of their way to buy Yum-Yum, which is really just like Coca-Cola but costs more, when they can buy the Real Thing anywhere in the world?”¹⁷⁹

The Coca-Cola Company, in our opinion, has invested steadily and heavily in marketing since its founding. **From 1920, a year after its IPO, to 2024, the company’s SG&A expenses, which include selling, bottling, distribution, advertising and other promotion, as well as administrative costs, rose from roughly 14% of revenue to about 31%.**¹⁸⁰

Figure 22: Coca-Cola SG&A as a Percentage of Revenue¹⁸¹



Note:

1. The company did not disclose its revenue in annual reports from 1932 to 1958 but started the income statements with gross profits.

The Coca-Cola Company’s advertising expenses, first disclosed separately in the 1970s, have also shown a steady upward trend, from around 6% of revenue in the 1980s to more than 10% entering the 2020s.¹⁸² By contrast, PepsiCo, which began reporting its advertising expenses in 1995, saw its advertising spending as a share of revenue decline from

¹⁷⁵ How a 1933 Coca-Cola Dispenser Changed Our World. <https://www.antiquetrader.com/collectibles/coca-cola-historic-dispenser>

¹⁷⁶ Does Formula Mystery Help Keep Coke Afloat. <https://edition.cnn.com/2014/02/18/business/coca-cola-secret-formula/index.html>

¹⁷⁷ Coca-Cola Moves Secret Formula. ABC News. <https://abcnews.go.com/blogs/headlines/2011/12/coca-cola-moves-secret-formula>

¹⁷⁸ Does Formula Mystery Help Keep Coke Afloat. <https://edition.cnn.com/2014/02/18/business/coca-cola-secret-formula/index.html>

¹⁷⁹ Does Formula Mystery Help Keep Coke Afloat. <https://edition.cnn.com/2014/02/18/business/coca-cola-secret-formula/index.html>

¹⁸⁰ The Coca-Cola Company Annual Report 1920 – 2024.

¹⁸¹ The Coca-Cola Company Annual Report 1920 – 2024.

¹⁸² The Coca-Cola Company Annual Report 1974 – 2024.

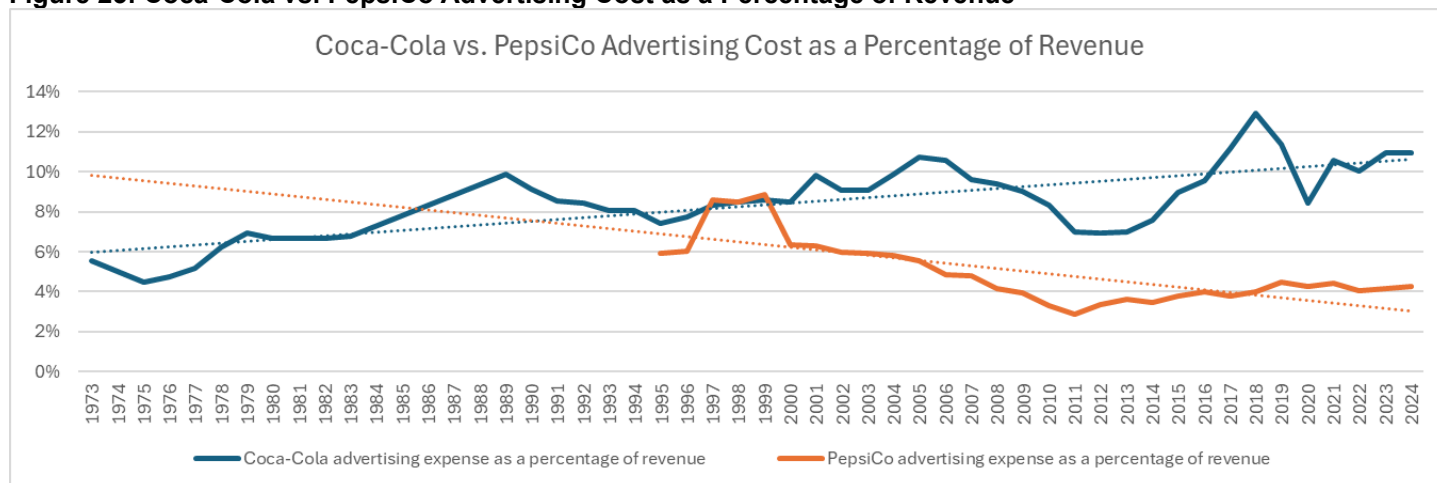
nearly 6% to about 4.2% by 2024.¹⁸³ It is also important to note that beverages accounted for only about 35% of PepsiCo's total revenue in 1995 and 42% in 2024, whereas over 90% of the Coca-Cola Company's revenue comes from beverages.¹⁸⁴ By our estimate, if PepsiCo's advertising spending were adjusted in proportion to its revenue mix, the Coca-Cola Company would still consistently and significantly outspend PepsiCo, demonstrating Coca-Cola's much heavier investment in advertising to promote its beverage portfolio compared to its main competitor.

We believe Coca-Cola's early and sustained commitment to large-scale advertising helped differentiate its flagship product in what might otherwise have become a commoditized category. From our perspective, by establishing a deep emotional connection with consumers and embedding itself in global culture, which we will discuss later, Coca-Cola created a competitive moat that few rivals could replicate. In our opinion, it would be difficult for any competitors to buy advertising with a similar amount to create similar effects needed.

Warren Buffett articulated this advantage in his 1993 remarks on Coca-Cola's enduring brand strength and effective distribution system:

"Worldwide, Coke sells about 44% of all soft drinks, and Gillette has more than a 60% share (in value) of the blade market. Leaving aside chewing gum, in which Wrigley is dominant, I know of no other significant businesses in which the leading company has long enjoyed such global power. Moreover, both Coke and Gillette have actually increased their worldwide shares of market in recent years. The might of their brand names, the attributes of their products, and the strength of their distribution systems give them an enormous competitive advantage, setting up a protective moat around their economic castles. The average company, in contrast, does battle daily without any such means of protection. As Peter Lynch says, stocks of companies selling commodity-like products should come with a warning label: 'Competition may prove hazardous to human wealth.'"¹⁸⁵

Figure 23: Coca-Cola vs. PepsiCo Advertising Cost as a Percentage of Revenue



Notes:

1. In some years between the 1970s and the 1980s the Coca-Cola Company did not disclose its advertising/media expenses separately from the SG&A expenses. **We skipped and connected the lines in the chart for demonstration purposes.**
2. The advertising expenses shown above as a percentage of total revenue reflect each company's overall business. However, the revenue mix of the Coca-Cola Company and PepsiCo differs substantially. In 1995, beverages made up about 35% of PepsiCo's total revenue, with the rest coming from snack foods and restaurants; by 2024, beverages accounted for 42%, with the remainder from foods. By contrast, in 1995, about 91% of the Coca-Cola Company's revenue came from beverages and 9% from foods, and by 2024, virtually all of its revenue was from beverages.¹⁸⁶

¹⁸³ PepsiCo Annual Report 1995 – 2024.

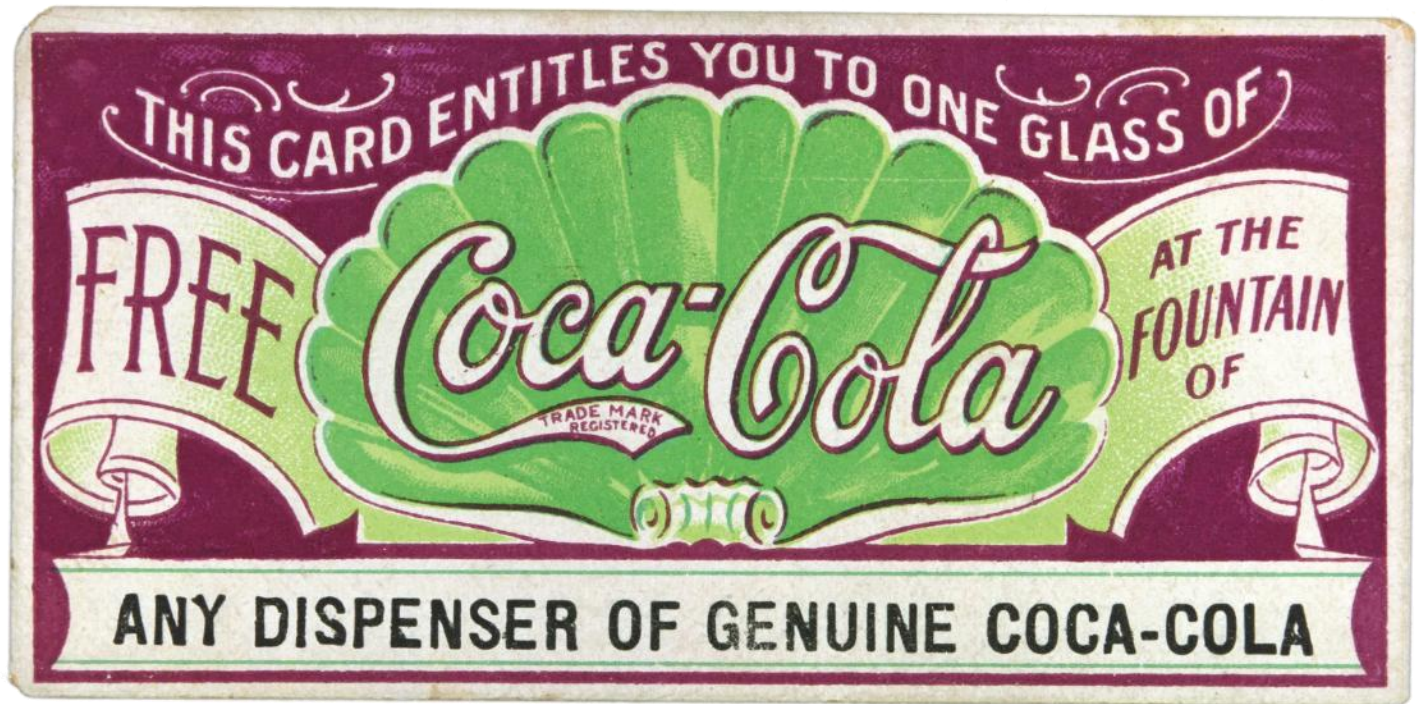
¹⁸⁴ PepsiCo Annual Report 1995, 2024; The Coca-Cola Company Annual Report 1995, 2024.

¹⁸⁵ Berkshire Hathaway Shareholder Letter 1993. <https://www.berkshirehathaway.com/letters/1993.html>

¹⁸⁶ PepsiCo Annual Report 1995, 2024; The Coca-Cola Company Annual Report 1995, 2024.

Marketing has been a crucial strategy since the Coca-Cola Company's founding in our opinion. In 1887, the company issued coupons to encourage trials of its beverage, and registered its "Coca-Cola Syrup and Extract" label with the U.S. Patent Office.¹⁸⁷ **The company was widely considered to be the first company to offer coupons in America.**¹⁸⁸ After Asa Candler took control, he offered two gallons of syrup to any retailer willing to dispense 128 free servings to customers. By 1895, Coca-Cola was being promoted in every U.S. state and territory.¹⁸⁹

Figure 24: Coca-Cola Coupon 1887¹⁹⁰



Beyond introducing patented bottles and protecting its trademarks, Coca-Cola distinguished itself through bold and innovative marketing. Unlike many early competitors that positioned their drinks as medicinal tonics, Coca-Cola emphasized refreshment and enjoyment. The company pioneered large-scale, creative advertising and promotional campaigns to attract customers,¹⁹¹ an approach that became a cornerstone of its enduring global brand identity.

In 1904, the first advertising for Coca-Cola appears in national magazines. Annual sales of Coca-Cola syrup hit the 1 million-gallon mark. Lillian Nordica, noted opera singer at the time, began to endorse Coca-Cola and appears in nationwide advertising in 1905.¹⁹² By this time, the soda was still sold at five cents a glass, which appeared on many Coca-Cola's advertisements at that time.

¹⁸⁷ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#timeline>

¹⁸⁸ How Americans Started Clipping Coupons. <https://www.history.com/articles/coupons-united-states-great-depression>

¹⁸⁹ Coca-Cola Television Advertisements. Library of Congress.

<https://web.archive.org/web/20070106000832/http://memory.loc.gov/ammem/ccmphtml/colainvnt.html>

¹⁹⁰ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#timeline>

¹⁹¹ The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999. <https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

¹⁹² Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1900s>

Figure 25: Coca-Cola Advertisement 1904¹⁹³



¹⁹³ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1900s>

Since its founding in the late 19th century, from our perspective, the Coca-Cola Company has built its brand around the themes of satisfaction, happiness, and togetherness, values that have remained central to its identity for more than a century.

In the first half of the 20th century, Coca-Cola's advertising focused heavily on refreshment and satisfying thirst. Slogans such as "Thirst Knows No Season" in 1922, "Enjoy Thirst" in 1923, "It Had to Be Good to Get Where It Is" in 1926, and "Thirst Asks Nothing More" in 1939 reflected this emphasis.¹⁹⁴ **These messages were often paired with cheerful imagery – smiling people enjoying a bottle of Coke – symbolizing the joy and satisfaction that came with each sip. Through this consistent messaging, we believe Coca-Cola established itself not just as a beverage, but as a simple pleasure that brought happiness into everyday life, all at a very low price point that many people can afford – "happiness in a bottle."**

Figure 26-1: Coca-Cola Advertisement 1922¹⁹⁵



¹⁹⁴ History of Coca-Cola Advertising Slogans. <https://www.coca-colacompany.com/about-us/history/history-of-coca-cola-advertising-slogans>

¹⁹⁵ A History of Coca-Cola Taglines. <https://campaignsoftheworld.com/creative-print-ads/a-history-of-coca-cola-taglines/>

Figure 26-2: Coca-Cola Advertisement 1926¹⁹⁶



Figure 26-3: Coca-Cola Advertisement 1939¹⁹⁷



¹⁹⁶ A History of Coca-Cola Taglines. <https://campaignsoftheworld.com/creative-print-ads/a-history-of-coca-cola-taglines/>

¹⁹⁷ A History of Coca-Cola Taglines. <https://campaignsoftheworld.com/creative-print-ads/a-history-of-coca-cola-taglines/>

As the Coca-Cola Company expanded worldwide, its brand evolved beyond refreshment to embrace universal human values. Its mission statements such as “to refresh the world” and “to inspire moments of optimism and happiness”¹⁹⁸ reflect aspirations that transcend just beverages. Campaigns such as “Have a Coke and a Smile” in 1979 and “Open Happiness” in 2009¹⁹⁹ embodied these ideals, using inclusive messages designed to resonate across cultures. According to Coca-Cola International Advertising’s director in 2000, the goal of global marketing was to “have a common idiom, but not necessarily the same look.”²⁰⁰ In other words, while the underlying message remained universal, execution varied to fit local cultural contexts. Regardless of setting, the message remained the same that Coca-Cola “is part of me and you, and all the things we like to do. Coca-Cola is there, part of all that we share, always good, always real, always true, Coca-Cola is It!”²⁰¹

We believe Coca-Cola has masterfully linked its brand with joyful, communal experiences by placing its logo and products ubiquitously and in places of celebration such as sports arenas, amusement parks, concerts, and global events, the brand has been associated with happiness and connection. Studying consumer psychology and behavior and by rolling out its marketing campaign strategically, Coca-Cola’s advertising draws on positive psychology, suggesting that enjoying a Coke is not just about taste, but about enriching life’s moments, fostering emotional well-being, and sharing with others.²⁰²

In many regions, from our perspective, Coca-Cola has become so embedded in everyday life for many years that it feels like a local brand already, showing how continuous, localized marketing exposure can blur the boundaries between foreign and native products. In India, for example, Coca-Cola has localized its marketing by drawing on “desi” cultural insights. A 2016 campaign captured the warmth of Indian hospitality with the tagline “Mehmaan Ke Har Nakhre Ka Jawab Hai Coke Ka Glass” (“A glass of Coke is the answer to every guest’s tantrum”²⁰³) in all five TV commercials. Featuring relatable family scenes and humor, the ads portrayed Coca-Cola as a brand that understands and celebrates Indianness, a companion to everyday moments of sharing and welcome.²⁰⁴

¹⁹⁸ About Coca-Cola. <https://www.cokesolutions.com/about.html>

¹⁹⁹ History of Coca-Cola Advertising Slogans. <https://www.coca-colacompany.com/about-us/history/history-of-coca-cola-advertising-slogans>

²⁰⁰ The Airbrushing of Culture: An Insider Looks At Global Advertising. John Hopkins University. <https://muse.jhu.edu/article/2957>

²⁰¹ The Airbrushing of Culture: An Insider Looks At Global Advertising. John Hopkins University. <https://muse.jhu.edu/article/2957>

²⁰² Coca-Cola: The Real Story Behind the Real Thing. CNBC. <https://www.cnbc.com/video/2010/02/09/coca-cola-the-real-story-behind-the-real-thing.html>

²⁰³ Translated by Google Translate.

²⁰⁴ Coca-Cola on Ad Strategy - Create Campaign with Indian Context, But Highlight Brand's Universal Appeal. https://www.afaqs.com/news/advertising/49208_coca-cola-on-ad-strategy-create-campaign-with-indian-context-but-highlight-brands-universal-appeal

Figure 27: Coca-Cola Commercials in India²⁰⁵



Figure 28: Coca-Cola at Food & Music Festival in India²⁰⁶



²⁰⁵ Coca-Cola on Ad Strategy - Create Campaign with Indian Context, But Highlight Brand's Universal Appeal.

https://www.afaqs.com/news/advertising/49208_coca-cola-on-ad-strategy-create-campaign-with-indian-context-but-highlight-brands-universal-appeal

²⁰⁶ Kolkatans! Gear Up For The Biggest Food & Music Festival Of The Year, Kolkata Is Cooking By Coca-Cola!

<https://curlytales.com/kolkata-peeps-attend-kolkata-is-cooking-by-coca-cola-the-biggest-food-music-festival-of-the-year/>

In addition to associating its brand image with communal feelings among humanity, Coca-Cola has also long tied itself to human excellence, using sports, athletes, and cultural icons to embody shared moments that transcend geography and background.

Figure 29: Coca-Cola Euro 2020 Sponsorship²⁰⁷



²⁰⁷ Coca Cola Added to Euro 2020 Sponsors. Sport for Business. <https://sportforbusiness.com/coca-cola-added-to-euro-2020-sponsors/>

The company's relationship with sports dates back to the early 1900s. In 1907, Coca-Cola first featured well-known baseball players in a series of print ads, marking the beginning of its enduring association with athletic achievement. Just a few years later, by 1911, its annual advertising budget had already surpassed \$1 million,²⁰⁸ a testament to its growing influence.

Figure 30: Coca-Cola Advertisement – Baseball²⁰⁹



Coca-Cola's most iconic sporting partnership, in our opinion, began in 1928, when it became a sponsor of the Olympic Games in Amsterdam, a relationship that continues to this day, making it the longest-standing partner of the Olympic Movement. That year, a freighter delivered the U.S. Olympic Team and 1,000 cases of Coca-Cola to Amsterdam. Vendors sold the drink at kiosks around the stadium and rowing venue, while the brand's presence remained subtle, limited to a few handmade signs by an American art student placed over each stadium entrance.²¹⁰ Yet the connection between Coca-Cola and global sport was firmly established. Nearly a century later, Coca-Cola continued its Olympic partnership through Paris 2024, reaching an estimated five billion viewers worldwide.²¹¹

²⁰⁸ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1910s>

²⁰⁹ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1900s>

²¹⁰ Coca-Cola® And The Olympic Games – Our Partnership History.

<https://mb.cision.com/Public/MigratedWpy/86051/733602/b2f6eeb214290b6d.pdf>

²¹¹ Around 5 Billion People - 84% of the Potential Global Audience - Followed the Olympic Games Paris 2024.

Figure 31: Coca-Cola Kiosk in Amsterdam 1928²¹²



²¹² Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1920s>

Figure 32: Coca-Cola Campaign for Paris 2024²¹³



Beyond the Olympics, Coca-Cola has become intertwined with other major sporting events. In the United States, its association with American football has produced some memorable Super Bowl campaigns in our opinion. During the 2019 game, watched by nearly 100 million viewers,²¹⁴ Coca-Cola aired a 60-second spot titled “A Coke is a Coke.” The ad reinforced the brand’s connection to one of America’s favorite sports while highlighting Coca-Cola’s core message of universal enjoyment. Its voiceover celebrated inclusivity and shared experience:

“A Coke is a Coke is a Coke. It’s the same for everyone. You can get one if you want it, no matter where you’re from. He drinks Coke and she drinks Coke, even though they disagree. And while the bottles look alike you aren’t the same as me. Stars drink it, chefs drink it, farmers want one when it’s hot. There’s a coke here if you’re thirsty, but that’s cool if you’re not. We all have different hearts and hands, heads holding various views. Don’t you see, different is beautiful and together is beautiful too.”²¹⁵

Figure 33: Coca-Cola 2019 Super Bowl Commercial²¹⁶



²¹³ It’s Magic When the World Comes Together. <https://www.coca-colacompany.com/media-center/its-magic-when-the-world-comes-together-paris2024>

²¹⁴ Super Bowl Ratings Chart, All-Time - Sports Media Watch. <https://www.sportsmediawatch.com/super-bowl-ratings-historical-viewership-chart-cbs-nbc-fox-abc/>

²¹⁵ Coca-Cola. A Coke is a Coke. 2019 Super Bowl Commercial. YouTube. https://www.youtube.com/watch?v=CiEcW_YEs3E

²¹⁶ Coca-Cola. A Coke is a Coke. 2019 Super Bowl Commercial. YouTube. https://www.youtube.com/watch?v=CiEcW_YEs3E

Throughout its history, Coca-Cola has also partnered with celebrities and athletes who, from their perspective, embody excellence and aspiration. In the early 1980s, the company teamed up with a rising basketball star, Michael Jordan. One commercial showed Jordan dribbling a case of Coca-Cola as if it were a basketball, leaping to deliver bottles to kids playing in a treehouse, while their grandmother was watching, smiling, and drinking a Coke, a blend of athleticism, joy, and everyday connection.

Decades later, Coca-Cola continued to engage younger audiences through pop culture in our opinion. During the 2010s, Coke partnered with star singers such as Taylor Swift and Selena Gomez. In the 2016 “Share a Coke and a Song” campaign, Gomez posted an Instagram photo holding a bottle labeled “You’re the spark,” a lyric from one of her songs. The image became the most-liked photo in Instagram’s history at the time, garnering over four million likes.²¹⁷

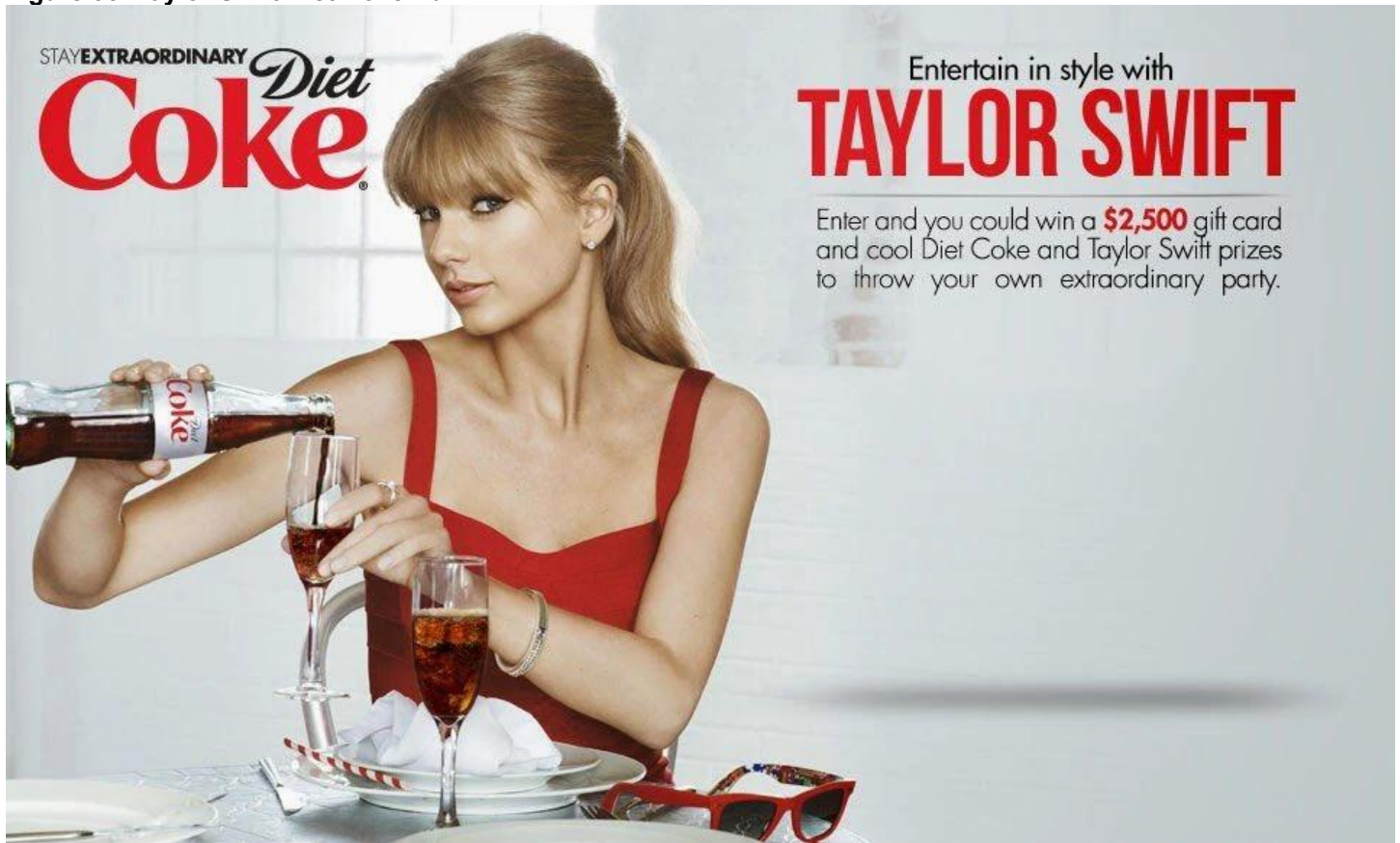
Figure 34: Michael Jordan Coca-Cola Commercial 1980s²¹⁸



²¹⁷ Selena Gomez Now Has the Most-Liked Instagram Photo. Time. <https://time.com/4404355/selena-gomez-instagram-most-liked-photo/>

²¹⁸ Michael Jordan Coca-Cola Treehouse Commercial. YouTube. <https://www.youtube.com/watch?v=qNL6xoFwR-8>

Figure 35: Taylor Swift Diet Coke Ad²¹⁹

A promotional advertisement for Diet Coke featuring Taylor Swift. She is shown from the waist up, wearing a red spaghetti-strap dress, pouring Diet Coke from a bottle into a tall flute glass. Another glass with ice and Diet Coke sits on the table in front of her. The table is set with white plates, a fork, and a pair of red sunglasses. The background is a bright, minimalist interior with large windows. The text 'STAY EXTRAORDINARY Diet Coke' is in the top left, and 'Entertain in style with TAYLOR SWIFT' is in the top right. Below the latter, a promotional message about a contest is provided.

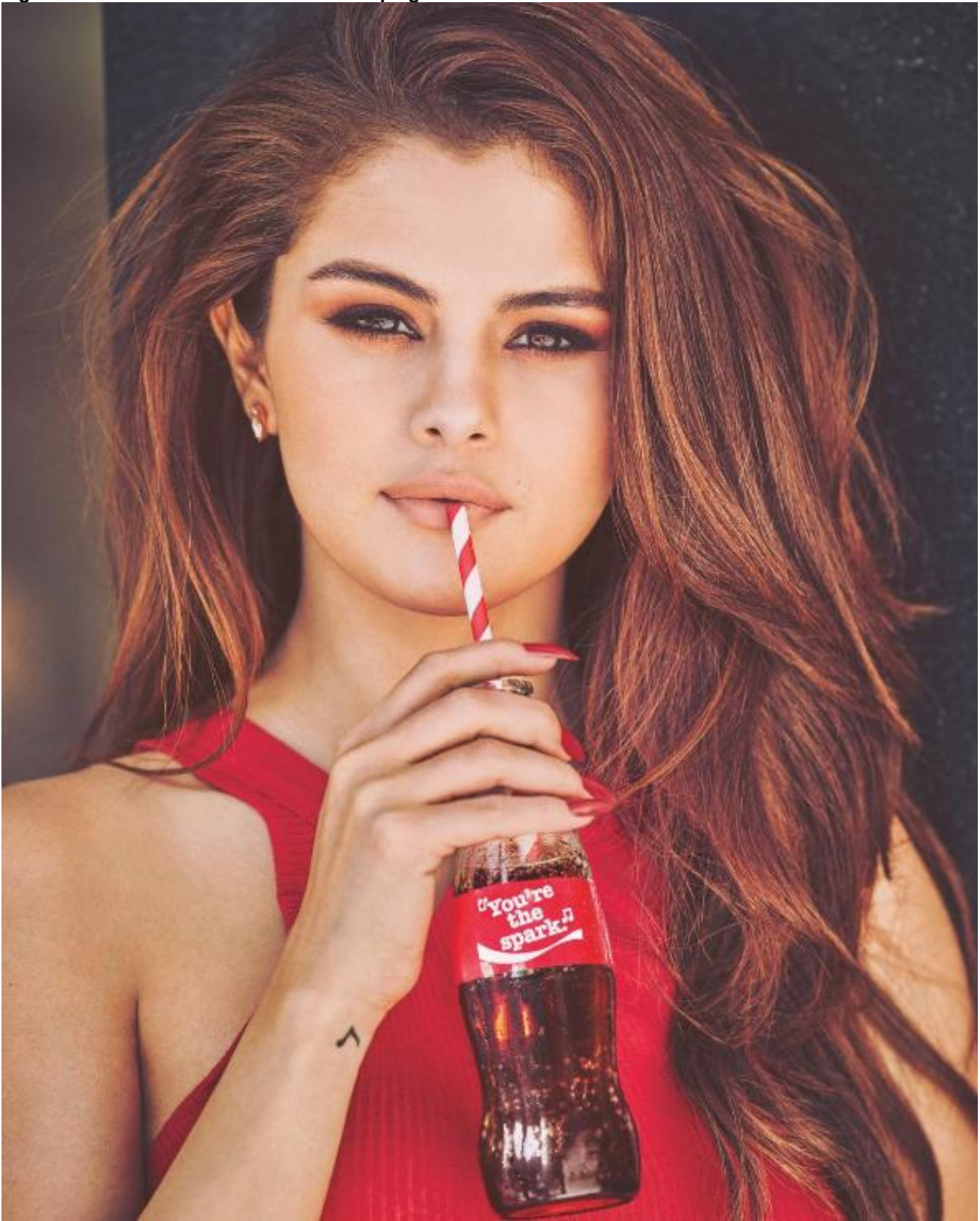
STAY EXTRAORDINARY *Diet* Coke

Entertain in style with
TAYLOR SWIFT

Enter and you could win a **\$2,500** gift card and cool Diet Coke and Taylor Swift prizes to throw your own extraordinary party.

²¹⁹ Diet Coke – Taylor Swift Wiki. https://taylorswift.fandom.com/wiki/Diet_Coke

Figure 36: Selena Gomez Coca-Cola Campaign²²⁰



²²⁰ Selena Gomez. Instagram. https://www.instagram.com/p/BHF4NdhhOmc/?utm_source=ig_embed&ig_rid=9cdf03b2-8768-4243-ae8f-95662ad54931

As mentioned previously, Coca-Cola's marketing strategy has always balanced global consistency with local relevance. For example, in China, the company collaborated with national sports heroes during the Olympics and with Leehom Wang, a Chinese-American pop singer dubbed “the King of Chinese Pop,”²²¹ in 2009. Some campaigns even united athletes and pop stars, blending star power to showcase Coca-Cola's universal charm.

Figure 37: Coca-Cola Olympic Games Ad China 2024²²²



²²¹ Berklee to Honor Wang Leehom, King of Chinese Pop, at Symphony Hall. <https://college.berklee.edu/news/wang-leehom-symphony-hall-honor-boston-king-chinese-pop>

²²² Coca-Cola China. <https://www.coca-cola.com/cn/zh/media-center/2024Q1-financial-report>

Figure 38: Leehom Wang Coca-Cola Ad China 2009²²³



²²³ Coca-Cola Coke Summer - Leehom Wang (2009). YouTube. <https://www.youtube.com/watch?v=jXiYW3iaMps>

We believe the brand's ubiquity has made it a fixture in everyday life, embraced by both ordinary people and world figures alike. Billionaire investor Warren Buffett, one of Coca-Cola's largest shareholders, is often seen with a bottle of Coke at his high-profile shareholder meetings. Likewise, Bill Gates has been spotted enjoying the drink publicly, unintentional yet powerful endorsements that reinforce the brand's image of accessibility and authenticity.

From the baseball stars of the early 1900s to modern global icons, Coca-Cola's partnerships, from our perspective, have consistently reflected a single, timeless message: wherever you are, whoever you are, the experience of sharing a Coke is something everyone can enjoy. This echoes a sentiment expressed decades earlier by artist Andy Warhol, who famously wrote in 1975:

"What's great about this country is that America started the tradition where the richest consumers buy essentially the same things as the poorest. You can be watching TV and see Coca-Cola, and you know that the president drinks Coke, Liz Taylor drinks Coke, and just think, you can drink Coke, too. A Coke is a Coke...All the Cokes are the same and all the Cokes are good. Liz Taylor knows it, the president knows it...and you know it."²²⁴

²²⁴ The History of the Coca-Cola Contour Bottle. <https://www.coca-colacompany.com/about-us/history/the-history-of-the-coca-cola-contour-bottle>

In addition to tying with sporting events and the pop culture, Coca-Cola has long intertwined its brand with major holidays, most famously Christmas. In 1931, seeking to boost winter sales, the company commissioned artist Haddon Sundblom to create an advertising campaign that would link Coca-Cola with the festive season. Sundblom's first painting depicted Santa Claus pausing to enjoy a Coke. Over the next three decades, from 1931 to 1964, Sundblom continued to paint images and helped define the modern image of Santa Claus.²²⁵

The campaign emerged from a practical challenge that soda consumption typically dropped during the cold months as consumers considered it a summer refreshment. By associating the drink with Santa, Coca-Cola repositioned it as a year-round pleasure. Sundblom drew inspiration from a century of Santa imagery from Clement Clarke Moore's "A Visit from St. Nicholas" to Thomas Nast's North Pole illustrations, anchoring Coca-Cola's campaign in an already beloved holiday tradition.²²⁶ Sundblom's Santa was warm, plump, and jolly, dressed in red and white hues that matched Coca-Cola's branding.

Sundblom's Santa debuted in 1931 in Coke ads in *The Saturday Evening Post* and appeared regularly in that magazine, as well as in *Ladies Home Journal*, *National Geographic*, *The New Yorker* and others.²²⁷ From 1931 to 1964, Coca-Cola advertising showed Santa delivering toys and playing with them, pausing to read a letter and enjoy a Coke, visiting with the children who stayed up to greet him, and raiding the refrigerators at a number of homes. The original oil paintings Sundblom created were adapted for Coca-Cola advertising in magazines and on store displays, billboards, posters, calendars and plush dolls. Many of those items are popular collectibles today.

The Coke Santa images were so influential that many came to believe Sundblom had actually created the modern day image of Santa Claus.²²⁸ While that myth is not true, it underscores the campaign's significant power and scale. Sundblom's Santa transformed Coca-Cola from a beverage into part of the Christmas ritual, a symbol of warmth, family, and shared joy. The artist, who later also created the enduring Quaker Oats man in 1957,²²⁹ left a legacy that remains central to Coca-Cola's holiday marketing to this day.

²²⁵ Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1930s>

²²⁶ How Santa Brought Coca-Cola in from the Cold. National Museum of American History. <https://americanhistory.si.edu/explore/stories/how-santa-brought-coca-cola-cold>

²²⁷ Haddon Sundblom and the Coca-Cola Santas. <https://www.coca-colacompany.com/about-us/history/haddon-sundblom-and-the-coca-cola-santas>

²²⁸ Haddon Hubbard. Muskegon County, MI. <https://co.muskegon.mi.us/766/Haddon-Hubbard-Sunny-Sundblom>

²²⁹ Haddon Hubbard. Muskegon County, MI. <https://co.muskegon.mi.us/766/Haddon-Hubbard-Sunny-Sundblom>

Figure 39: Haddon Sundblom's Santa Claus²³⁰



²³⁰ Haddon Sundblom and the Coca-Cola Santas. <https://www.coca-colacompany.com/about-us/history/haddon-sundblom-and-the-coca-cola-santas>

Figure 40: Coca-Cola Christmas Ad 1931²³¹

THE SATURDAY EVENING POST



Drink
Coca-Cola
Delicious and Refreshing

“MY HAT'S OFF to
the pause that refreshes”

Old Santa, busiest man in the world, takes time out for *the pause that refreshes* with ice-cold Coca-Cola. He even knows how to be good to himself. And so he always comes up smiling. So can you. Wherever you go shopping, you find a cheerful soda fountain with ice-cold Coca-Cola ready.

LISTEN IN
Grantland Rice's Famous Sports Champions
Coca-Cola Orchestra
Every Wed. 10:30 p. m.
Eastern Standard Time
Coast-to-Coast
NBC Network

The Coca-Cola Co., Atlanta, Ga.

OVER NINE MILLION A DAY . . . IT HAD TO BE GOOD TO GET WHERE IT IS

Note:

1. “My hat’s off to the pause that refreshes” – Old Santa, busiest man in the world, takes time out for the pause that refreshes with ice-cold Coca-Cola. He even knows how to be good to himself. And so he always comes up smiling. So can you. Wherever you go shopping, you find a cheerful soda fountain with ice-cold Coca-Cola ready.

²³¹ Haddon Sundblom and the Coca-Cola Santas. <https://www.coca-colacompany.com/about-us/history/haddon-sundblom-and-the-coca-cola-santas>

Figure 41: Coca-Cola Christmas Ad 1937²³²

“Give and take,”
say I

Drink
Coca-Cola
Delicious and Refreshing

One thing which makes Old Santa so popular is that he gives so much and asks so little. Ditto for ice-cold Coca-Cola. It gives you America's Favorite Moment . . . *the pause that refreshes* . . . for only 5¢.

You're invited to "The Song Shop" . . . at your radio. Listen! You'll be glad you did. Columbia network—10 P. M., E. S. T., Fridays.

SO...ENJOY A FROSTY BOTTLE OF ICE-COLD COCA-COLA FROM YOUR OWN REFRIGERATOR.

Note:

1. “Give and take, say I” – One thing which makes Old Santa so popular is that he gives so much and asks so little. Ditto for ice-cold Coca-Cola. It gives you America's Favorite Moment...the pause that refreshes...for only 5¢. So...enjoy a frosty bottle of ice-cold Coca-Cola from your own refrigerator.

²³² How Santa Brought Coca-Cola in from the Cold. National Museum of American History.

<https://americanhistory.si.edu/explore/stories/how-santa-brought-coca-cola-cold>; COCA COLA AND FATHER CHRISTMAS.

<https://www.coca-cola.com/gb/en/social/coca-cola-christmas-in-great-britain/coca-cola-and-father-christmas>

Figure 42: Coca Cola Christmas Ad 1963²³³



Saturday Evening Post December 21-28, 1963
 Boys' Life December, 1963
 New Yorker Magazine December 14, 1963
 National Geographic December, 1963
 American Girl December, 1963

P.O. 2-3708 Ad 475

²³³ How Santa Brought Coca-Cola in from the Cold. National Museum of American History.
<https://americanhistory.si.edu/explore/stories/how-santa-brought-coca-cola-cold>

World War II was another formative period for the Coca-Cola Company. **As countries invested in rebuilding their economies devastated by the war, new markets opened to American goods, along with American culture.** Products such as Coca-Cola became even more popular abroad despite having been already widely accepted globally.²³⁴ America's post-war economic dominance reshaped daily life in the U.S., fueling a consumer society with more and more people purchasing goods including cars and televisions. The economic boom that followed World War II not only changed the way Americans lived each day, but it also established the United States as both a cultural leader abroad and an economic leader amongst all other nations. Some literature labeled this spread of American influence "Coca-colonization," a term that emerged after WWII to describe the cultural and economic impact of Western capitalism on local societies. During WWII and into the Cold War, foreign cartoonists and commentators frequently cast Coca-Cola as a proxy for the United States itself; the drink's acceptability in a country often mirrored that country's stance toward America.²³⁵

During the war, the U.S. Army brought many American branded products that are still commonly seen today to the front lines as morale boosters, among them Hershey's chocolate bars, M&M's chocolate candies, Wrigley's chewing gum, and Coca-Cola. **In 1941, the Coca-Cola Company's then president Robert Woodruff made a landmark pledge: "every man in uniform gets a bottle of Coca-Cola for five cents, wherever he is and whatever it costs the company."**²³⁶ The nickel price, unchanged since 1886, coupled with the enduring appeal of Coca-Cola's timeless flavor propelled the drink to immense popularity among troops in the early years of the war. Noticing Coca-Cola's early success of bottling plants established in 44 countries during the war on both sides,²³⁷ **General Dwight Eisenhower, the future president to the United States, recognized the strategic value of keeping Coca-Cola close to soldiers. From Allied Headquarters in North Africa, with an urgent telegram, Eisenhower requested portable bottling lines and steady supply.** According to Coffee or Die Magazine, "Dated June 29, 1943, [Eisenhower's] request included ten portable factories, 6 million filled bottles of Coke a month, and the materials and resources to provide American G.I.s with the refreshingly cool and crisp suds that increased their spirits with every sip." Soon after, 148 company representatives, assigned as "Technical Observers," were outfitted in army fatigues and treated like officers to ensure every GI could get a Coke. Troops affectionately nicknamed them the "Coca-Cola Colonels." All levels of the United States Military chain of command loved the refreshing taste of Coca-Cola. **From Eisenhower to the GIs on the frontlines, Coca-Cola served as a poignant reminder of the freedoms they were all fighting to defend.**

The Coca-Cola Company estimated that some 10 billion cokes were served to soldiers around the world during World War II, while some sources cited 5 billion bottles of Coca-Cola were consumed by military,²³⁸ either number indicates the popularity of the beverage among soldiers, who brought it to all over the world. Many soldiers reportedly wrote home that they were fighting, among other reasons, for the right to drink Coca-Cola.²³⁹

The presence of Coca-Cola during war time did more than just lift the morale of the troops in our opinion. In many areas, it gave local people their first taste of Coca-Cola. And when peace returned, we believe the Coca-Cola system was poised for unprecedented worldwide growth. From the mid-1940s until 1960, the number of countries with bottling operations nearly doubled.²⁴⁰ This solidified Coca-Cola's image as a symbol for American culture.

²³⁴ The Universal Drink. The New Yorker. <https://www.newyorker.com/magazine/1959/02/14/coca-cola-the-universal-drink>

²³⁵ The Universal Drink. The New Yorker. <https://www.newyorker.com/magazine/1959/02/14/coca-cola-the-universal-drink>

²³⁶ An American GI's Best Friend - Coca-Cola. Museum of the American G.I. <https://americangimuseum.org/an-american-gis-best-friend-coca-cola/>

²³⁷ The Chronicle Of Coca-Cola. <https://www.coca-colacompany.com/about-us/history/the-chronicle-of-coca-cola-a-symbol-of-friendship>

²³⁸ An American GI's best friend – Coca-Cola. Museum of the American G.I. <https://americangimuseum.org/an-american-gis-best-friend-coca-cola/>

²³⁹ Rum and Coca-Cola. The American Scholar. <https://theamericanscholar.org/rum-and-coca-cola/>

²⁴⁰ The Chronicle Of Coca-Cola. <https://www.coca-colacompany.com/about-us/history/the-chronicle-of-coca-cola-a-symbol-of-friendship>

Figure 43: Coca-Cola on the Front Lines in Italy 1944²⁴¹



²⁴¹ An American GI's Best Friend - Coca-Cola. Museum of the American G.I. <https://americangimuseum.org/an-american-gis-best-friend-coca-cola/>

Figure 44-1: Coca-Cola Ad 1942²⁴²



"Howdy, friend"

DRINK

Coca-Cola

No matter where you go, somewhere near you is a big, friendly red sign with the trade-mark "Coca-Cola". It reminds you that ice-cold "Coca-Cola" is everything refreshment should be... a clean, exciting taste... quality you can trust... refreshment you feel. When you drink ice-cold "Coca-Cola", you know it's the real thing.

5¢

"I'm loyal to quality"

Refreshment is my business. Good taste is my specialty. I bring you quality appeal... goodness that keeps on being good. I'm "Coca-Cola", known, too, as "Coke". Ice-cold "Coca-Cola" is always something to look forward to. Its quality carries on.

COPYRIGHT 1942, THE COCA-COLA COMPANY

Figure 44-2: Coca-Cola Ad 1943²⁴³

Have a "Coke" = Good winds have blown you here



... a way to say "We are friends" to the Chinese

In far-off places, when Coca-Cola is on hand, you find it cementing friendships for our fighting men. China knew Coca-Cola from Tientsin to Shanghai, from Hong Kong to Tsingtao. To Chinese and Yank alike, *Have a "Coke"* are welcome words. They belong with friendliness and freedom. From Atlanta to the Seven Seas, Coca-Cola stands for the pause that refreshes—has become a symbol of good will among the friendly-minded.

* * *

Our fighting men are delighted to meet up with Coca-Cola many places overseas. Coca-Cola has been a globe-trotter "since way back when". Even with war, Coca-Cola today is being bottled right on the spot in over 35 allied and neutral nations.

"Coke" = Coca-Cola

It's natural for popular names to acquire friendly abbreviations. That's why you hear Coca-Cola called "Coke".



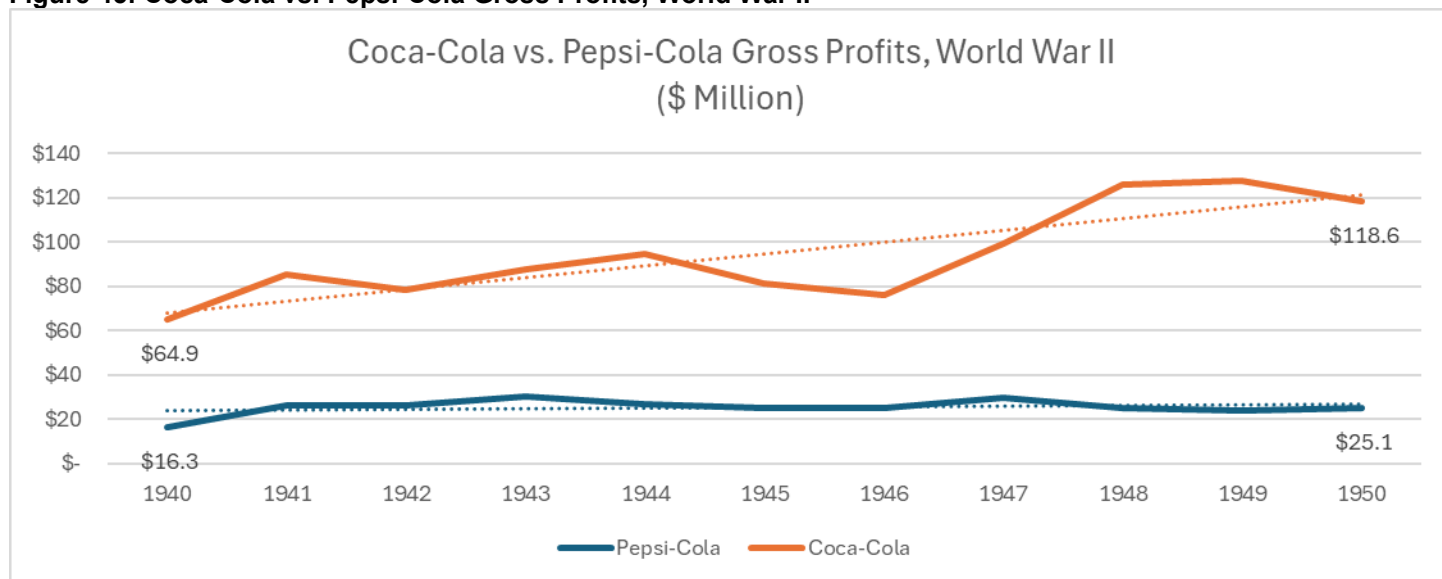
COPYRIGHT 1943, THE COCA-COLA COMPANY

Furthermore, from our perspective, supplying American soldiers during World War II gave the Coca-Cola Company a significant competitive advantage. **By providing drinks for the armed forces, Coca-Cola secured exemption from**

²⁴³ Quench Warfare. <https://www.historynet.com/quench-warfare>

wartime sugar rationing.²⁴⁴ Pepsi-Cola, by contrast, had to source sugar outside the United States and was never able to match Coca-Cola's deep penetration of the military market.²⁴⁵ Due to rationing policies that favored Coca-Cola, many Pepsi bottlers struggled to survive. To keep operations running, some halted production of other flavored beverages and used all available sugar to maintain Pepsi output.²⁴⁶ These challenges left Pepsi at a disadvantage, in our opinion, while Coca-Cola strengthened its wartime presence and brand recognition among millions of American troops stationed worldwide. In 1945, PepsiCo was only able to get 50% of the amount of sugar used in the base year of 1941, claiming that quota limited sales and production, and thus ultimately profits.²⁴⁷

Figure 45: Coca-Cola vs. Pepsi-Cola Gross Profits, World War II



Note:

1. Both companies during this period did not disclose sales in their annual reports. Income statements during this period started with gross profits.

After World War II, Coca-Cola's red-and-white logo became a symbol across recovering nations. The drink, shared among soldiers during the war, now symbolized American prosperity and optimism in these countries.²⁴⁸ As U.S. cultural influence expanded, Coca-Cola's presence came to represent not just a beverage but a flag of American prosperity.²⁴⁹

The Coca-Cola Company has acted decisively and aggressively when entering new markets while adapting to local conditions. For example, during the Cold War, as aforementioned, Coca-Cola had already become widely viewed as a symbol of capitalism, and, in some regions, a symbol of freedom itself.²⁵⁰ In the 1980s and 1990s, as the Cold War approached towards the end, the Coca-Cola Company radically overhauled its European operations. It shifted from a largely hands-off image-marketing model to a hands-on operator that invested directly in bottlers, placed its own managers, and executed coordinated, continent-wide strategies. **At that time, soft drinks ranked only fourth favorite among commercial beverages in Western Europe, with per capita consumption roughly 30% of the U.S. level.**²⁵¹ Coca-Cola viewed this as an opportunity. The company invested \$385 million in major European bottlers to strengthen control over pricing, merchandising, distribution, and retailer relationships, areas seen as key growth drivers. European

²⁴⁴ Viewpoints: A Brief History of Coca-Colonization.

<https://web.archive.org/web/20121120082810/https://www.nytimes.com/1993/08/15/business/viewpoints-a-brief-history-of-coca-colonization.html>

²⁴⁵ World War II and the Cola War. <https://barrydsilverstein.medium.com/world-war-ii-and-the-cola-war-c7d21b2cab80>

²⁴⁶ History – PCBA. <https://pcba.net/about-us/history/>

²⁴⁷ PepsiCo Annual Report 1945.

²⁴⁸ Coca-Colonization. The Red Dawn Of Globalization. <https://www.historyoasis.com/post/cocacolization>

²⁴⁹ Coca-Colonization. The Red Dawn Of Globalization. <https://www.historyoasis.com/post/cocacolization>

²⁵⁰ Who, What, Why In Which Countries is Coca-Cola Not Sold. BBC. <https://www.bbc.com/news/magazine-19550067>

²⁵¹ Coke Gets Off Its Can in Europe – The Atlanta Powerhouse Figures That's Where the Greatest Promise is in the Nineties. https://web.archive.org/web/20100512202208/https://money.cnn.com/magazines/fortune/fortune_archive/1990/08/13/73901/index.htm

volume during that period grew more than 10% annually, more than twice the U.S. rate, and by the end of the decade Europe contributed 29% of the company's operating profit.²⁵²

In France, long an underperforming market, the Coca-Cola Company reversed the situation after reclaiming bottling operations from Pernod-Ricard, a large spirits producer that controlled Coca-Cola's bottling in the local market for 40 years. The company implemented American-style retail practices by deploying hundreds of merchandisers, creating large in-store displays, and running extensive promotions. In Britain, a 49/51 joint venture with Cadbury Schweppes unified national promotions and doubled sales in just three years. The CEO of Cadbury Schweppes Beverages remarked, "The way Coke is approaching the new Europe is extraordinary. Coke is more aggressive than any company I know."²⁵³

Anticipating a more integrated European market and stronger retailers, Coca-Cola built a faster, lower-cost production and distribution network during the late 1980s. It held prices steady in Britain comparable to 1981, opened a high throughput canning plant, and pushed for bottler consolidation, especially in Germany.²⁵⁴ When the Berlin Wall fell in 1989, the company responded with remarkable speed, in our opinion, sending free shipments of the drink into East Germany. At one checkpoint alone, over 70,000 cans were distributed within hours. As the president of the company's German division observed, "There won't be two colas in restaurants and small outlets... They'll choose the one that's first in the market."²⁵⁵ While regulators later examined aspects of its market dominance and exclusivity agreements, Coca-Cola had already focused on the opportunities of 1992's pan-European moment – the Olympic Games, the World's Fair, and the opening of Euro Disney – backed by plans for additional plants in key cities.

²⁵² Coke Gets Off Its Can in Europe – The Atlanta Powerhouse Figures That's Where the Greatest Promise is in the Nineties. https://web.archive.org/web/20100512202208/https://money.cnn.com/magazines/fortune/fortune_archive/1990/08/13/73901/index.htm

²⁵³ Coke Gets Off Its Can in Europe – The Atlanta Powerhouse Figures That's Where the Greatest Promise is in the Nineties. https://web.archive.org/web/20100512202208/https://money.cnn.com/magazines/fortune/fortune_archive/1990/08/13/73901/index.htm

²⁵⁴ Coke Gets Off Its Can in Europe – The Atlanta Powerhouse Figures That's Where the Greatest Promise is in the Nineties. https://web.archive.org/web/20100512202208/https://money.cnn.com/magazines/fortune/fortune_archive/1990/08/13/73901/index.htm

²⁵⁵ Coca-Cola's Berlin Wall blitz. Fortune. <https://fortune.com/2009/11/09/coca-colas-berlin-wall-blitz-lessons-in-leadership-20-years-later/>

Timeless Formula (Coca-Cola Classic, Loved Globally) and Diverse Product Portfolio

We believe one of the key factors behind Coca-Cola's enduring popularity is its unique balance between consistency and innovation. **The taste of Coca-Cola has remained largely unchanged across the world for decades, offering a comforting sense of nostalgia to long-time fans while attracting new generations with its timeless flavor.** This consistency in taste has helped Coca-Cola become a staple in households and an integral part of social gatherings around the world. However, Coca-Cola has also shown an ability to innovate. Over the years, the brand has introduced numerous variants, such as Diet Coke, Coca-Cola Zero Sugar, and Coca-Cola Cherry, catering to different tastes and dietary preferences.

We believe the universal appeal of the original Coca-Cola flavor also sets it apart from many other foods and beverages, many of which often struggle to gain acceptance outside their home markets. While certain snacks or drinks with distinctive regional flavors may thrive in one market but fail in another, for whatever reason (perhaps Coca-Cola's balanced combination of sweetness, unique flavor, and fizziness), Coca-Cola resonates with consumers across cultures and geographies. Combined with its global distribution network and decades of marketing, in our opinion, Coca-Cola is successful almost everywhere – from small street stores to massive stadiums. From our perspective, their versatility enables Coca-Cola to transcend geographic and cultural boundaries, making it one of the most widely enjoyed beverages in the world.

For over a century since it was founded, Coca-Cola has tasted largely the same across the world and the company keeps it that way. Coca-Cola is a symbol of American beyond just taste. However, the company learned it the hard way. When Coca-Cola tried to replace its 99-year-old formula in the U.S. in April 1985, with the intention to re-energize its Coca-Cola brand and the cola category in the U.S., which was its largest market,²⁵⁶ the reaction went far beyond taste. In 1985, the Coca-Cola Company's share lead over its chief competitor, Pepsi, in its flagship market, with its flagship product, had been slowly slipping for 15 consecutive years. The cola category in general was lethargic. Consumer preference for Coca-Cola was dipping, as was consumer awareness.

As Coke's growth slowed in the early 1980s, Pepsi's "Pepsi Challenge," which consisted of mall-side blind taste tests, became a pop-culture event that highlighted Pepsi's sweeter profile.²⁵⁷ Many participants said they preferred Pepsi, feeding a narrative that, while Coke was the market leader, consumers "actually preferred Pepsi." In response, Coca-Cola reformulated its flagship and launched "New Coke," touting a "smoother, rounder, yet bolder" taste, backed by large-scale focus groups and taste tests (reportedly ~200,000 people) that seemed to validate the change.²⁵⁸

²⁵⁶ New Coke – The Most Memorable Marketing Blunder Ever. <https://www.coca-colacompany.com/about-us/history/new-coke-the-most-memorable-marketing-blunder-ever>

²⁵⁷ 'New Coke' – One of the Biggest Flops in Marketing History. Fox. <https://www.livenowfox.com/news/new-coke-coca-cola-classic-history>

²⁵⁸ 'New Coke' – One of the Biggest Flops in Marketing History. Fox. <https://www.livenowfox.com/news/new-coke-coca-cola-classic-history>

Figure 46: New Coke 1985²⁵⁹



However, the reality did not match the company's research results. Consumers hoarded the old formula, thousands of complaint calls surged to the company, and protest groups popped up nationwide. Typical reactions were scathing. **Some described the new formula as "absolutely awful... It tastes like a diet soda without any kick."**²⁶⁰ Despite millions spent on marketing and a rollout intended to be permanent, the backlash was swift; **New Coke famously survived just over two months as the company received rage from customers.**²⁶¹

²⁵⁹ New Coke – The Most Memorable Marketing Blunder Ever. <https://www.coca-colacompany.com/about-us/history/new-coke-the-most-memorable-marketing-blunder-ever>

²⁶⁰ 'New Coke' – One of the Biggest Flops in Marketing History. Fox. <https://www.livenowfox.com/news/new-coke-coca-cola-classic-history>

²⁶¹ New Coke – The Most Memorable Marketing Blunder Ever. <https://www.coca-colacompany.com/about-us/history/new-coke-the-most-memorable-marketing-blunder-ever>

Figure 47: Protest Against New Coke 1985²⁶²



Coca-Cola shortly reversed course, restoring the original recipe as “Coca-Cola Classic.” As then CEO Roberto Goizueta later reflected in 1995, “We set out to change the dynamics of sugar colas... and we did exactly that—albeit not in the way we had planned.” The New Coke was rebranded as Coke II and ultimately discontinued in the early 2000s.²⁶³

Interestingly, some loyal customers even wrote protest songs that went “Don’t take it out on America. Our feelings are very strong, after 99 years of being right, you did your country wrong... Just give us back the taste of Coke” – and the Coca-Cola Company then President Donald Keough conceded the intensity to the original Coca-Cola formula was “just flat caught us by surprise.” **The reason was simple – Coke had become a vessel for identity. Through decades of marketing and everyday ritual it embedded itself in “American values, fond memories, growing up and teen-age romance.”** A local news editor in Kansas in his 70th birthday in 1938 chose to be photographed beside a Coca-Cola dispenser at a local soda fountain, saying that Coca-Cola was “a sublimated essence of all that America stands for.”²⁶⁴

At the time, although Coca-Cola claimed that taste tests (nearly 200,000 consumers) favored the new formula, they missed the symbolic stakes. A social psychologist from Washington, D.C. argued Coca-Cola’s customers “associated a trivial part of life, the drinking of a soda, with peace, happiness, winning, love, the essence of existence... You can’t tamper with Coke without tampering with all the symbols. The psychological attachment is independent of the product itself.”²⁶⁵ That symbolism even extended abroad, some viewed that grabbing a bottle of Coca-Cola felt like waving the American flag.²⁶⁶

Throughout its history, the Coca-Cola Company has periodically introduced new products to meet changing consumer preferences and drive growth. **One notable example is Diet Coke, launched in 1982, marking the first extension of**

²⁶² 'New Coke' – One of the Biggest Flops in Marketing History. Fox. <https://www.livenowfox.com/news/new-coke-coca-cola-classic-history>

²⁶³ 'New Coke' – One of the Biggest Flops in Marketing History. Fox. <https://www.livenowfox.com/news/new-coke-coca-cola-classic-history>

²⁶⁴ Fans of 'Old' Coke Wouldn't Give up. The New York Times. <https://www.nytimes.com/1985/07/12/business/fans-of-old-coke-wouldn-t-give-up.html>

²⁶⁵ Fans of 'Old' Coke Wouldn't Give up. The New York Times. <https://www.nytimes.com/1985/07/12/business/fans-of-old-coke-wouldn-t-give-up.html>

²⁶⁶ Fans of 'Old' Coke Wouldn't Give up. The New York Times. <https://www.nytimes.com/1985/07/12/business/fans-of-old-coke-wouldn-t-give-up.html>

the Coca-Cola and Coke trademarks.²⁶⁷ Before that, the company had introduced TaB in 1963, a low-calorie cola positioned for calorie- and weight-conscious consumers. Despite TaB's early success, its name evoking “keeping a tab on your weight”—consumer research revealed that its lack of association with the Coca-Cola trademark limited its broader appeal.²⁶⁸

Initially, there were concerns internally that Diet Coke might cannibalize TaB, which at the time was the number one diet soft drink in the U.S., and potentially dilute the long-term value of the Coca-Cola trademark.²⁶⁹ However, the company's research suggested the opposite. In the early 1980s, colas made up about 60% of total U.S. soft drink sales, and diet beverages were growing three times faster than the rest of the category. Diet Coke was therefore seen as the right product at the right time, expected to attract customers from competing brands rather than from Coca-Cola itself. The company's strategy proved correct. By the end of 1983, Diet Coke had become the top-selling diet soft drink in the U.S. and the leading soft drink among women. By 1984, it had overtaken 7UP to become the third-largest soft drink brand in the country, behind only Coca-Cola and Pepsi. By 2010, Diet Coke finally surpassed Pepsi to become the No. 2 soda in the U.S. That year, regular Coca-Cola remained the most popular soft drink, with an estimated 1.6 billion cases sold, followed by Diet Coke's 927 million cases and Pepsi's 892 million cases.²⁷⁰

Beyond capturing the growing diet market, the introduction of Diet Coke also allowed the company to revise its contractual relationships with bottlers. Because the existing agreements applied only to syrups containing sugar, Coca-Cola executives argued that Diet Coke, and regular Coke sweetened with corn syrup, fell outside those terms. The company introduced new contracts granting the company greater control over syrup pricing.²⁷¹ Despite initial opposition and legal challenges from bottlers, Coca-Cola ultimately prevailed in 1989, securing Diet Coke's status as a distinct brand with unique ingredients and agreements. Sales were further boosted by marketing and design choices, including the silver label, which enhanced visibility on store shelves.

Figure 48: Coke, Diet Coke, Coke Zero²⁷²



²⁶⁷ 125 Years of Sharing Happiness. The Coca-Cola Company. <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/history/coca-cola-a-short-history-125-years-booklet.pdf>

²⁶⁸ Diet Coke. National Museum of American History. https://americanhistory.si.edu/collections/object/nmah_880981

²⁶⁹ The Extraordinary Story of How Diet Coke Came to Be. The Coca Cola Company. <https://www.coca-colacompany.com/about-us/history/diet-coke-global-premiere-1982>

²⁷⁰ Diet Coke Passes Pepsi at No. 2 Soda in the U.S. NBC News. <https://www.nbcnews.com/id/wbna42132603>

²⁷¹ Diet Coke. National Museum of American History. https://americanhistory.si.edu/collections/object/nmah_880981

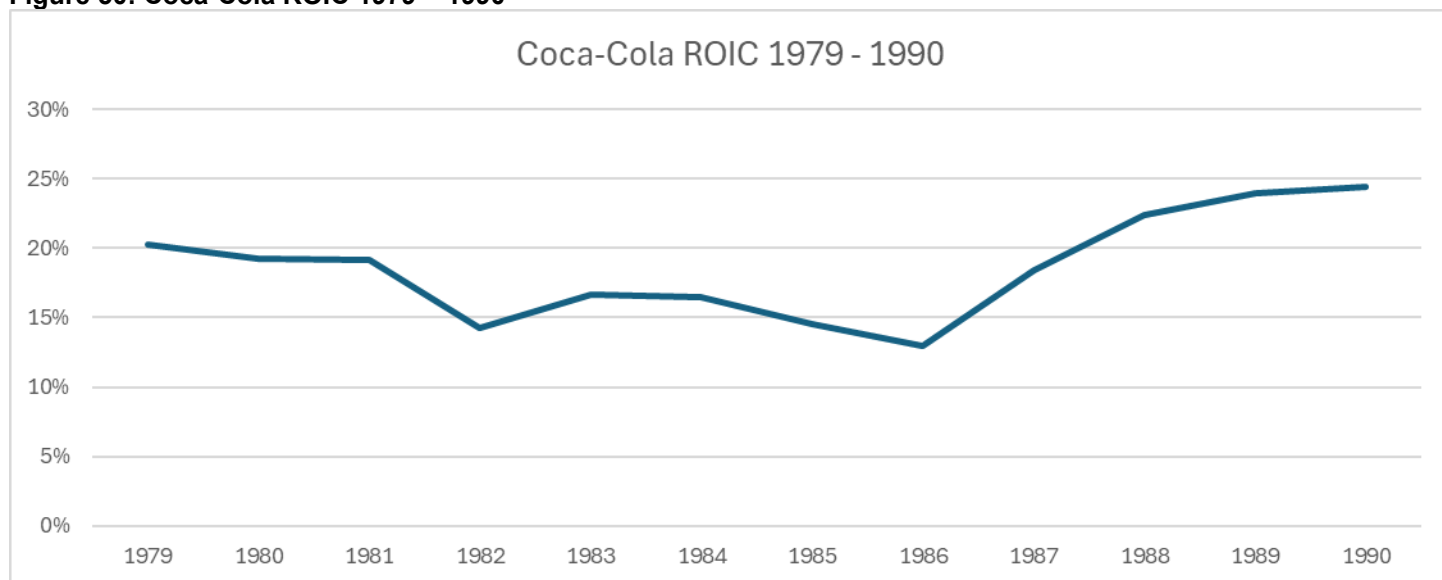
²⁷² The Big Difference Between Coke Zero And Diet Coke. <https://www.healthdigest.com/467119/the-big-difference-between-coke-zero-and-diet-coke/>

However, not all of the Coca-Cola Company's acquisitions proved successful. Under CEO Roberto Goizueta, who led the company from 1981 to 1997, Coca-Cola made a move into the entertainment industry by acquiring Columbia Pictures, which was a film making business, in 1982. Columbia Pictures was purchased for \$692 million in cash and stock, implying nearly 16x Columbia's 1981 earnings of \$44.3 million.²⁷⁸ At the time, Coca-Cola described Columbia as "a high-growth business that was compatible with the central strengths of [Coca-Cola]," seeing the studio's films and media platforms as valuable distribution channels for both consumers and marketing.²⁷⁹ However, the Coca-Cola Company soon learned how unpredictable the movie business could be.²⁸⁰ By 1987, Coca-Cola had begun to scale back, reorganizing its Entertainment Business Sector and reducing its ownership in Columbia Pictures to roughly 49%.²⁸¹ Two years later, in 1989, Coke sold its remaining stake to Sony, reaffirming its intent to focus on its core beverage operations.²⁸²

The holding period of Columbia coincided with a noticeable dip in Coca-Cola's ROIC, which fell from about 20% before the acquisition to around 13% by 1986.²⁸³ ROIC gradually recovered as the company divested non-core businesses and re-centered on its core strengths. Throughout the 1980s, Coca-Cola offloaded a variety of unrelated ventures accumulated during the 1960s and 1970s, including its movie studio, wine and coffee operations, and a boiler and water-treatment equipment manufacturer.

In 1979, beverages accounted roughly 76% of Coca-Cola's total sales, with the remainder coming from food and other ventures mentioned previously.²⁸⁴ By 1989, the company's portfolio was more focused, with soft drinks made up about 82% of sales, and food contributed the remaining 18%.²⁸⁵

Figure 50: Coca-Cola ROIC 1979 – 1990



Note:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.

²⁷⁸ Columbia Pictures Industries Annual Report 1981; The Coca-Cola Company Annual Report 1982.

²⁷⁹ The Coca-Cola Company Annual Report 1982.

²⁸⁰ Coca-Cola Back to Basic with Columbia Sale. The Washington Post. 9/27/1989.

<https://web.archive.org/web/20231116235735/https://www.washingtonpost.com/archive/business/1989/09/27/coca-cola-back-to-basics-with-columbia-sale/e33479eb-b552-4280-952a-903f1622a54e/>

²⁸¹ The Coca-Cola Company Annual Report 1987.

²⁸² Coca-Cola Back to Basic with Columbia Sale. The Washington Post. 9/27/1989.

<https://web.archive.org/web/20231116235735/https://www.washingtonpost.com/archive/business/1989/09/27/coca-cola-back-to-basics-with-columbia-sale/e33479eb-b552-4280-952a-903f1622a54e/>

²⁸³ Derived from The Coca-Cola Annual Report 1979 – 1990.

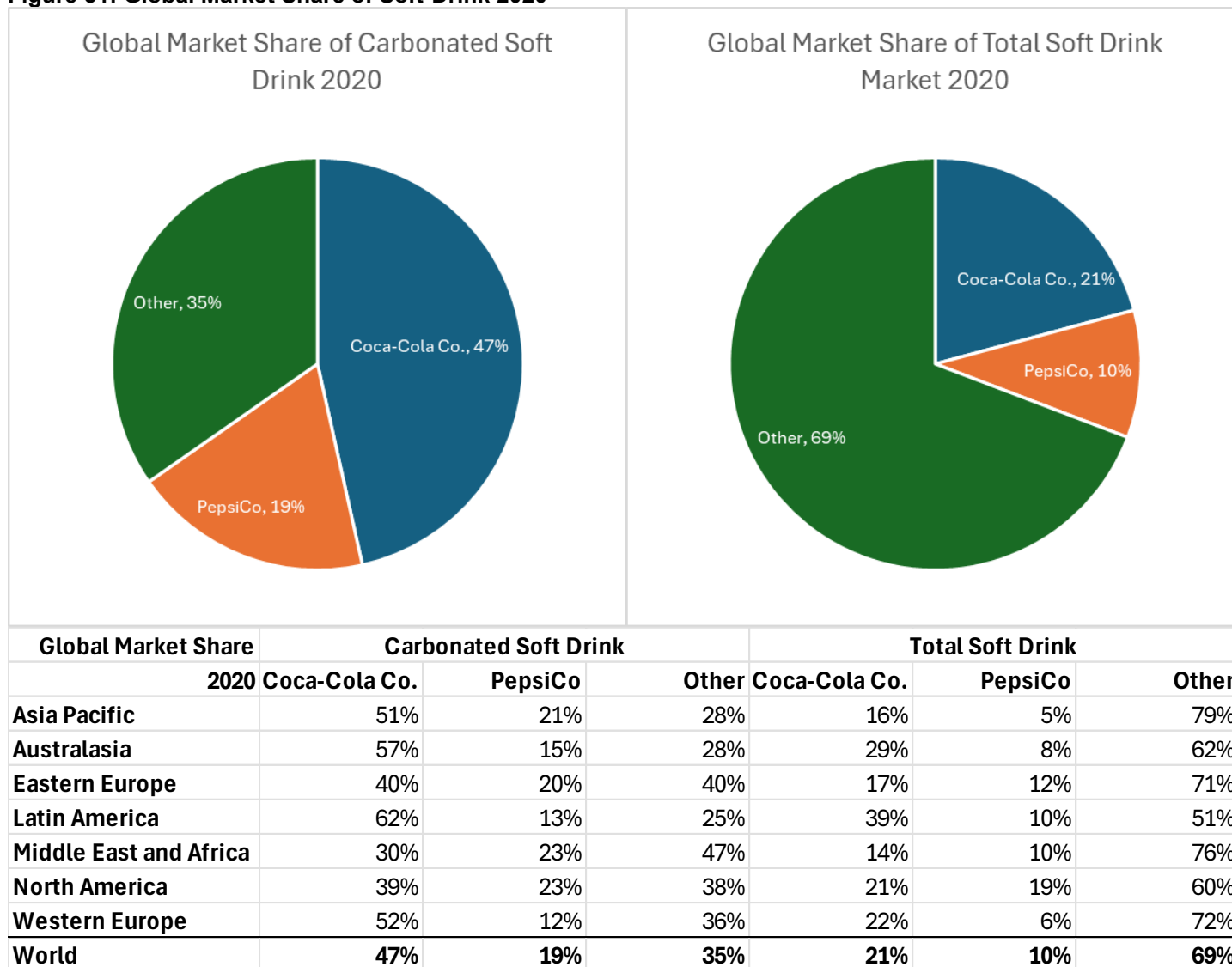
²⁸⁴ The Coca-Cola Annual Report 1979.

²⁸⁵ The Coca-Cola Annual Report 1989.

Competitor – Pepsi

Throughout the history of the carbonated soft drink industry, numerous players have been competing in the market including Coca-Cola, Pepsi, 7-Up, and Dr Pepper in the U.S. and many more abroad. Yet within the cola segment, only Pepsi has stood as Coca-Cola's enduring rival, partly due to their similar flavor profiles and decades of marketing efforts known as the "Cola Wars." By 2020, The Coca-Cola Company remained the world's leading carbonated soft drink producer, commanding nearly 47% of the global market, with PepsiCo trailing distantly at about 19%.²⁸⁶

Figure 51: Global Market Share of Soft-Drink 2020²⁸⁷



Note:

1. Carbonated soft drink market does not include bottled water. Total soft drink market includes carbonated soft drinks, juice, ready-to-drink tea and coffee, energy drinks, sports drinks, bottled water, concentrate, and specialty drinks.

²⁸⁶ Wood, B., Baker, P., Scrinis, G. et al. Maximising the wealth of few at the expense of the health of many: a public health analysis of market power and corporate wealth and income distribution in the global soft drink market. *Global Health* 17, 138 (2021). <https://doi.org/10.1186/s12992-021-00781-6>

²⁸⁷ Wood, B., Baker, P., Scrinis, G. et al. Maximising the wealth of few at the expense of the health of many: a public health analysis of market power and corporate wealth and income distribution in the global soft drink market. *Global Health* 17, 138 (2021). <https://doi.org/10.1186/s12992-021-00781-6>

PepsiCo

Pepsi's is another one of the world's most recognizable soda brands. Unlike Coca-Cola, Pepsi went bankrupt twice, and experienced unstable leadership and ownership before the 1940s. Invented in 1898 by North Carolina pharmacist Caleb Bradham, the drink was first sold through his drugstore soda fountain. As demand for the syrup grew, Bradham founded the Pepsi-Cola Company in late 1902 and registered the trademark on June 16, 1903.

By 1904, annual syrup sales volume had reached nearly 20,000 gallons,²⁸⁸ while at the same time Coca-Cola had already sold over a million gallons.²⁸⁹ To meet rising demand, Bradham began bottling Pepsi-Cola around 1905 and expanding through franchised bottlers,²⁹⁰ by which time Coca-Cola already had over 120 bottlers in operation as of 1904.²⁹¹ By the time Pepsi had 240 franchises in 24 states in 1910, Coca-Cola already operated nearly 400 plants through franchised bottlers, including some overseas in Canada, Panama, and Cuba.²⁹²

World War I brought hardship to Pepsi. Sugar rationing and high prices crippled production, and Bradham's efforts to find substitutes like molasses led to an inferior taste. When sugar prices surged from 3 to 28 cents per pound, Bradham purchased a large quantity at a high price, potentially leading to the company's failure. On May 31, 1923, Pepsi-Cola went bankrupt, and its assets were sold for \$30,000 to Craven Holding Corporation.²⁹³ A Wall Street broker, Roy Megargel, acquired the brand for \$35,000 from Craven and formed a new Pepsi-Cola Corporation. But after five years of losses, Megargel reorganized Pepsi in 1928 as the National Pepsi-Cola Company, the fourth entity to hold the Pepsi name.²⁹⁴ The Great Depression soon followed, forcing a second bankruptcy in June 1931.

At this point, Loft Inc., a New York based candy store chain that had soda fountains in most of its stores showed interest. Its then leader, Charles Guth, had grown frustrated with Coca-Cola for denying bulk discounts despite Loft using 31,000 gallons of Coke syrup each year.²⁹⁵ In 1931, Megargel and Guth formed a new corporation, the Pepsi-Cola Company, which purchased Pepsi's trademark and assets for \$10,500. Guth soon took majority control and reformulated the drink to his liking. Loft's replaced Coca-Cola with Pepsi across its stores, though initial results were not encouraging. Sales of cola syrup fell, but Guth remained convinced of Pepsi's potential. He began experimenting with packaging and pricing, offering 12-ounce bottles for the same five cents competitors charged for around 6 ounces (i.e., Coca-Cola), which were common at that time. Introduced in 1933, this bold move resonated with consumers and increased Pepsi's sales.

²⁸⁸ History of The Birthplace of Pepsi. <https://pepsistore.com/history>

²⁸⁹ The Coca-Cola Annual Report 1922 – 1931.

²⁹⁰ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

²⁹¹ Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999.

<https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>

²⁹² The History of Coca-Cola. <https://cocacolaunited.com/blog/2015/07/11/10623/>; Transformation and Continuity: The U.S. Carbonated Soft Drink Bottling Industry and Antitrust Policy Since 1980. Bureau of Economics Staff Report. Federal Trade Commission. November 1999. <https://www.ftc.gov/sites/default/files/documents/reports/transformation-and-continuity-u.s.carbonated-soft-drink-bottling-industry-and-antitrust-policy-1980/softdrink.pdf>; Coca-Cola History. <https://www.coca-colacompany.com/about-us/history#1900s>

²⁹³ History of The Birthplace of Pepsi. <https://pepsistore.com/history>

²⁹⁴ The History of Pepsi. Leader Distribution Systems. <https://pepsibrattleboro.com/the-history-of-pepsi/>

²⁹⁵ The Little Soft Drink That Could: The Pepsi Story. <https://americanbusinesshistory.org/the-little-soft-drink-that-could-the-pepsi-story/>

Figure 52: Pepsi Ad in the 1930s²⁹⁶



As Loft's candy business faltered, Guth focused increasingly on Pepsi. Strikes, layoffs, and mounting losses at Loft led to proxy wars. Eventually, a financial firm led by Walter Mack took control of Loft, arguing that Pepsi rightfully belonged to the company since Loft's resources had financed it. After a fierce proxy battle, Guth lost, and in 1941, Loft was renamed the Pepsi-Cola Company, marking a new era under Mack's leadership.

In 1965, Pepsi's then CEO Don Kendall initiated a transformative merger with Frito-Lay., uniting beverages and snacks under a single banner and renaming the new company PepsiCo. The deal combined Pepsi-Cola with the two snack companies, Herman Lay's potato chips, then the largest potato chip makers in the U.S., and the Doolin family's Fritos. Since then, PepsiCo diversified extensively, acquiring brands such as Tropicana, Gatorade, Quaker Oats, and later Yum Brands (operator of KFC, Taco Bell, and Pizza Hut), which it eventually spun off.

Throughout its history, PepsiCo has been the most iconic rivalry of all time with The Coca-Cola Company in our opinion. The "Cola War" became an enduring symbol of 20th-century brand competition, even until today, within the soft drink industry, driven by bold marketing, relentless innovation, and strategic expansion that transformed both companies into global food and beverage giants.

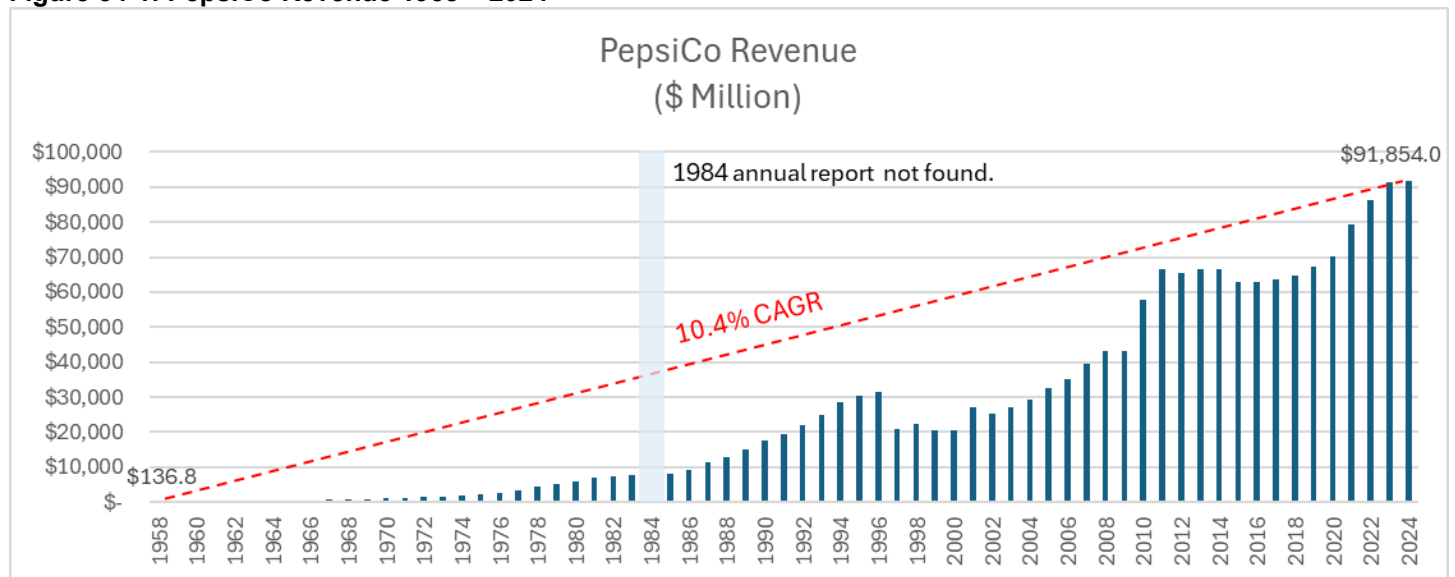
In Pepsi's famous 2001 "Vending Machine" ad, a young boy approaches a vending machine that sells both Coca-Cola and Pepsi. He buys two Coke cans, places them on the ground, and stands on them to reach the higher Pepsi button. After successfully purchasing his Pepsi, he grabs it and walks away, leaving the discarded Coke cans behind. The clever visual punchline, using Coke literally as a step to reach Pepsi, became one of the most memorable moments in the long running "cola war."

²⁹⁶ The Little Soft Drink That Could: The Pepsi Story. <https://americanbusinesshistory.org/the-little-soft-drink-that-could-the-pepsi-story/>

Figure 53: Pepsi Vending Machine Commercial 2001²⁹⁷



Figure 54-1: PepsiCo Revenue 1958 – 2024

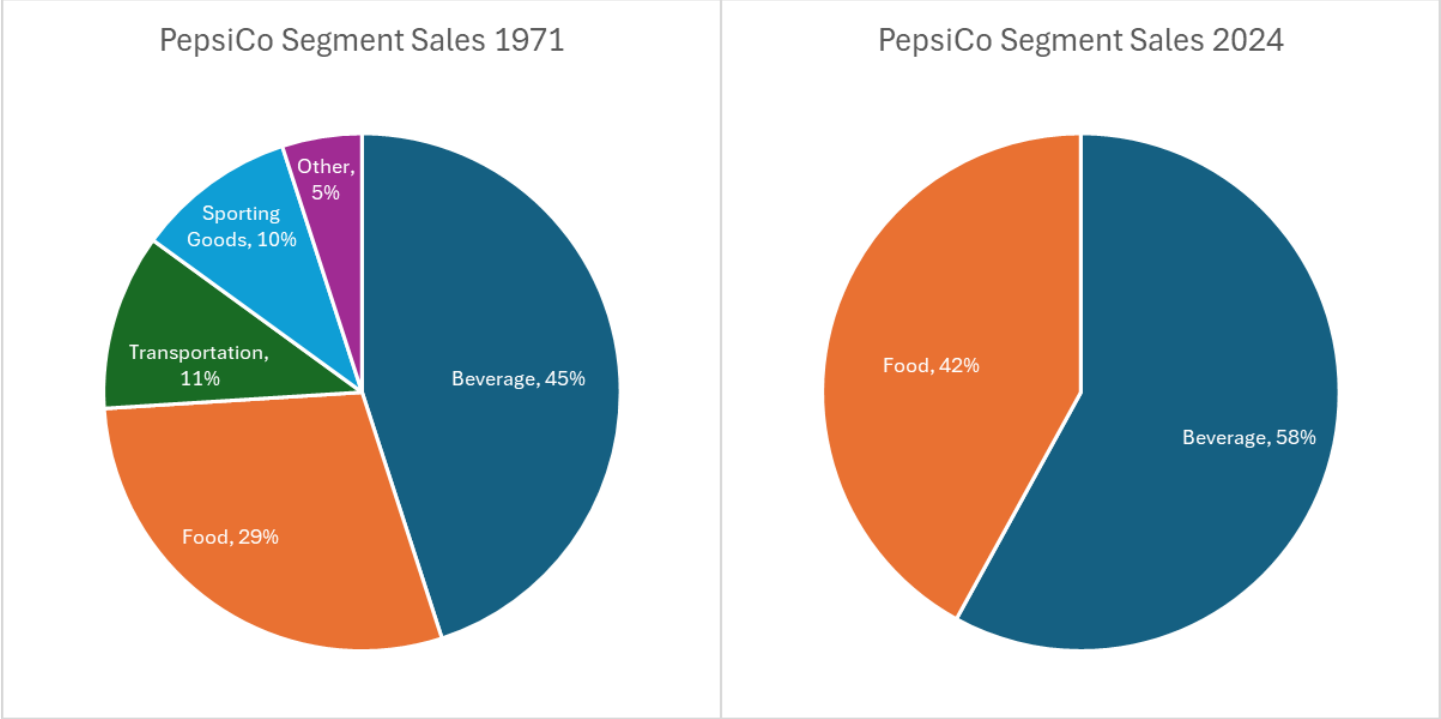


Notes:

1. PepsiCo's ("Pepsi-Cola" prior to 1965) annual reports prior to 1958 did not disclose total revenue, as the income statements for those years began with gross profit.
2. PepsiCo's 1984 annual report could not be found at the time of writing.
3. Pepsi-Cola merged with Frito-Lay in 1965, forming the company PepsiCo.

²⁹⁷ Pepsi Vending Machine Ad. YouTube. <https://www.youtube.com/watch?v=XINImbZzU7I>

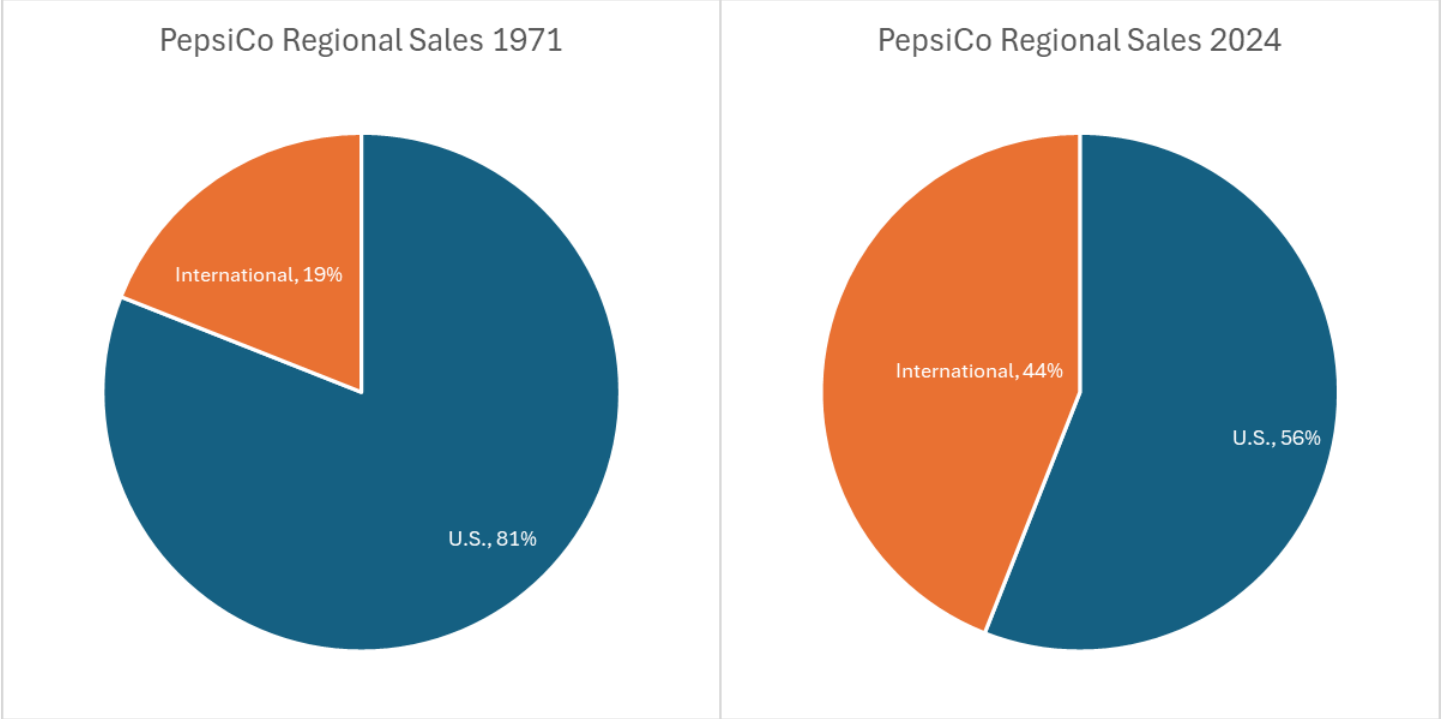
Figure 54-2: PepsiCo Segment Sales 1971 vs. 2024



Note:

1. PepsiCo first disclosed its sales by product segments in its 1971 annual report. In 1938, which was the earliest annual report we found at the time of writing, the company did not provide such a breakdown. Based on available information, all 1938 sales were likely from beverages; however, the proportions between syrup and finished products are unknown.

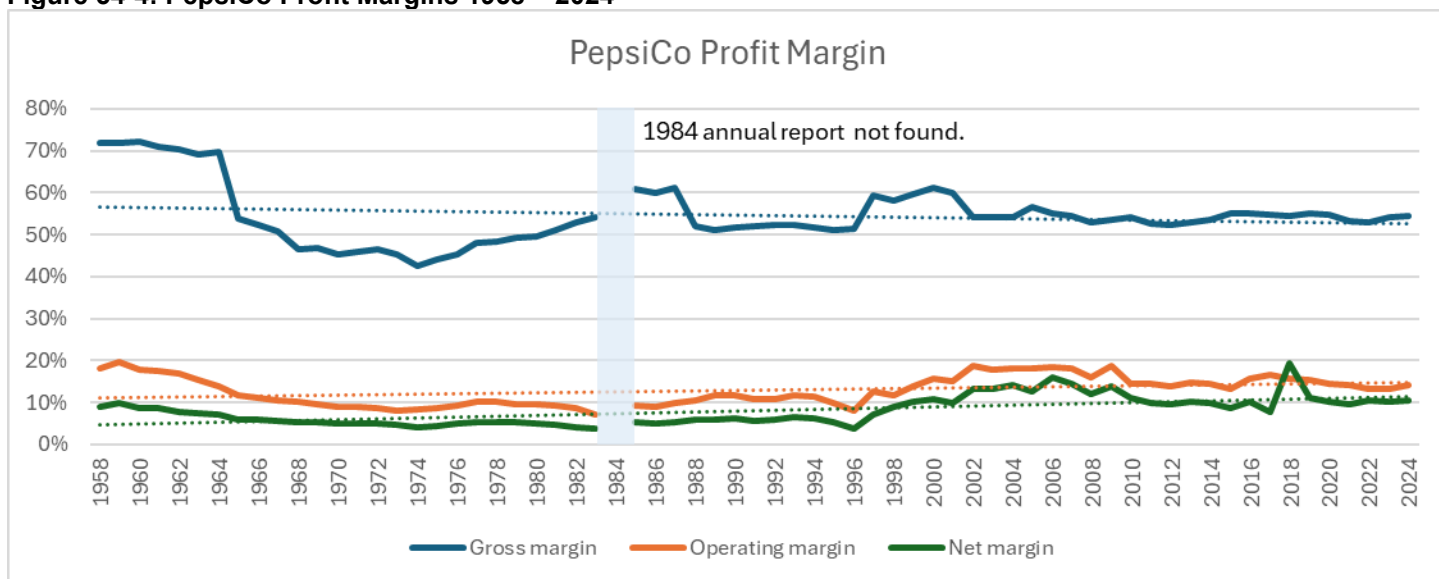
Figure 54-3: PepsiCo Regional Sales 1971 vs. 2024



Note:

1. PepsiCo first disclosed its sales by region in its 1971 annual report. However, as early as 1938, which was the earliest annual report we found at the time of writing, the company had already established operations in international markets such as Canada and England.²⁹⁸

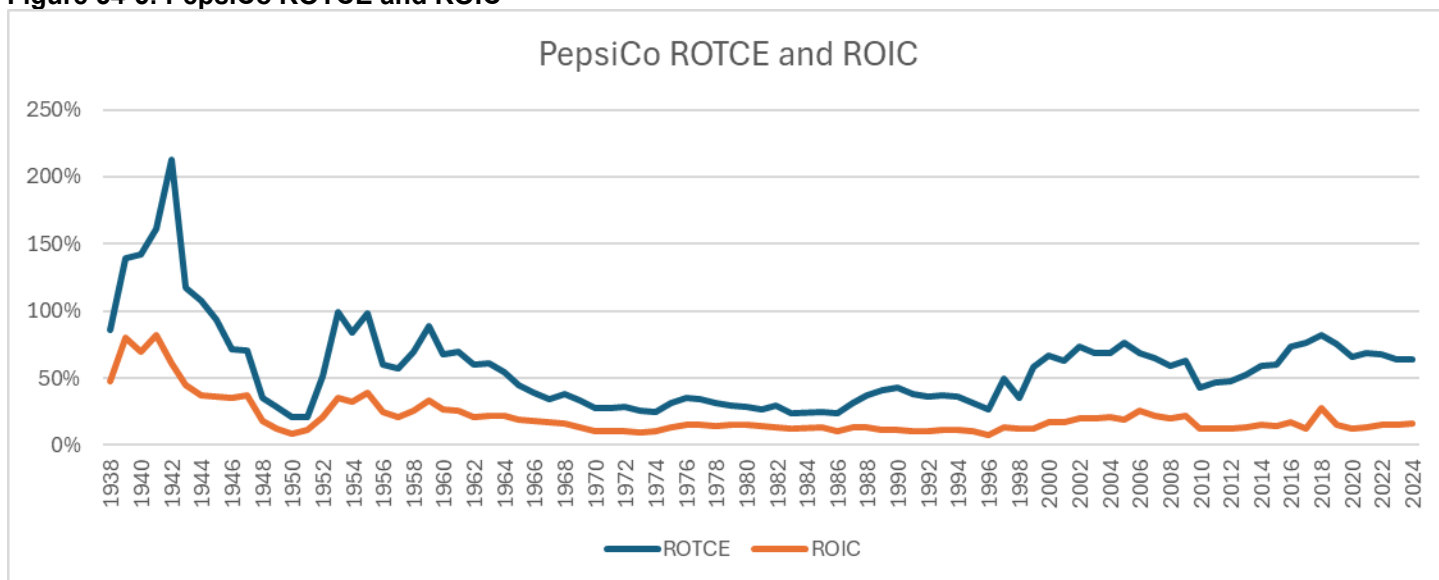
Figure 54-4: PepsiCo Profit Margins 1958 – 2024



Notes:

1. PepsiCo's annual reports prior to 1958 did not disclose total revenue, as the income statements for those years began with gross profit.
2. The company's 1984 annual report could not be found at the time of writing.

Figure 54-5: PepsiCo ROTCE and ROIC



Notes:

1. Between 1938 and 1957, the company's annual reports did not disclose total revenue, as the income statements during that period began with gross profit. Therefore, we were not able to analyze the changes on profit margins over that period. Detailed discussions of the company's operations and financial performance from these years are also limited. However, the sharp decline in return on capital during the 1940s was most likely driven by wartime disruptions, including sugar rationing, which restricted sales and production from 1942 to 1947.²⁹⁹
2. From 1938 to 2024, PepsiCo achieved an average ROTCE of 58% and a median of 56%, while its ROIC averaged around 21% with a median of approximately 15%.

²⁹⁸ PepsiCo Annual Report 1971.

²⁹⁹ PepsiCo Annual Report 1943 – 1947.

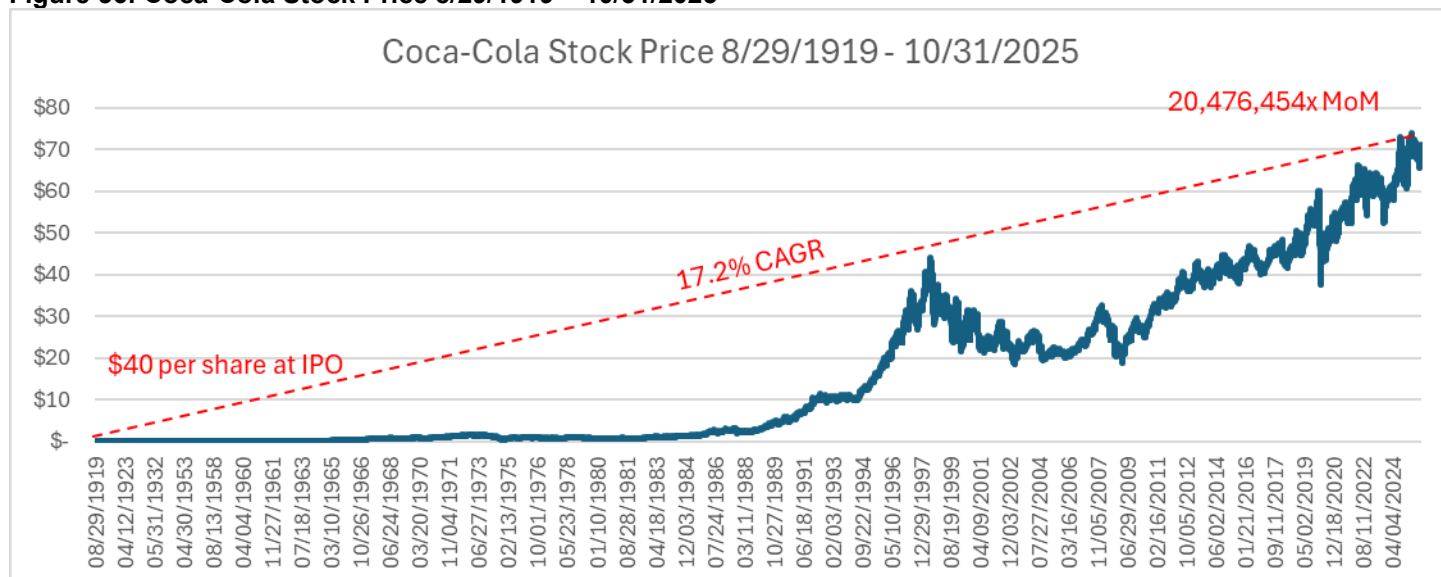
3. The company's 1984 annual report was not found at the time of writing. **We skipped and connected the lines in the chart for demonstration purposes.**

Figure 55: PepsiCo Income Statement

\$ Million	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Sales																					\$ 136.8	\$ 157.8
COGS																					\$ 38.4	\$ 44.2
Gross profit	\$ 7.3	\$ 11.3	\$ 16.3	\$ 26.0	\$ 26.3	\$ 30.5	\$ 26.7	\$ 25.0	\$ 25.0	\$ 29.8	\$ 25.0	\$ 24.1	\$ 25.1	\$ 30.2	\$ 35.0	\$ 45.4	\$ 51.8	\$ 62.8	\$ 69.1	\$ 85.6	\$ 98.4	\$ 113.6
SG&A expenses	\$ 3.2	\$ 4.5	\$ 7.7	\$ 11.0	\$ 11.7	\$ 17.8	\$ 13.7	\$ 14.1	\$ 15.2	\$ 19.5	\$ 19.2	\$ 19.5	\$ 22.1	\$ 26.2	\$ 27.2	\$ 34.3	\$ 38.8	\$ 44.5	\$ 52.1	\$ 66.3	\$ 73.6	\$ 82.7
Amortization of intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating profit	\$ 4.1	\$ 6.8	\$ 8.6	\$ 15.0	\$ 14.6	\$ 12.7	\$ 13.0	\$ 10.9	\$ 9.8	\$ 10.3	\$ 5.8	\$ 4.6	\$ 2.9	\$ 4.0	\$ 7.8	\$ 11.1	\$ 13.0	\$ 18.4	\$ 17.0	\$ 19.3	\$ 24.8	\$ 30.9
Interest expense, net	\$ -	\$ (0.0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.0
Other income	\$ (0.1)	\$ (0.1)	\$ (0.0)	\$ (0.1)	\$ 0.1	\$ (0.0)	\$ 0.0	\$ (0.0)	\$ 0.2	\$ 0.1	\$ (0.7)	\$ (0.6)	\$ 0.3	\$ 0.2	\$ 0.1	\$ 0.2	\$ (0.3)	\$ 0.5	\$ 0.8	\$ 0.4	\$ (0.8)	\$ 0.3
Earnings before tax	\$ 4.1	\$ 6.7	\$ 8.5	\$ 14.9	\$ 14.8	\$ 12.6	\$ 13.0	\$ 10.8	\$ 10.0	\$ 10.3	\$ 5.1	\$ 3.9	\$ 3.3	\$ 4.2	\$ 7.8	\$ 11.4	\$ 12.7	\$ 18.9	\$ 17.9	\$ 19.7	\$ 24.0	\$ 30.2
Tax	\$ 0.8	\$ 1.1	\$ 2.7	\$ 5.5	\$ 8.5	\$ 6.2	\$ 7.1	\$ 5.7	\$ 3.8	\$ 3.6	\$ 2.0	\$ 1.8	\$ 1.7	\$ 1.6	\$ 4.0	\$ 5.9	\$ 6.5	\$ 9.4	\$ 9.0	\$ 10.1	\$ 11.7	\$ 14.8
Net profit	\$ 3.2	\$ 5.7	\$ 5.8	\$ 9.4	\$ 6.3	\$ 6.4	\$ 5.9	\$ 5.2	\$ 6.3	\$ 6.8	\$ 3.2	\$ 2.1	\$ 1.6	\$ 2.6	\$ 3.9	\$ 5.5	\$ 6.2	\$ 9.5	\$ 8.9	\$ 9.6	\$ 12.3	\$ 15.4
Other income, net of taxes	\$ -	\$ (0.8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.8)	\$ (1.5)
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit to shareholders	\$ 3.2	\$ 4.9	\$ 5.8	\$ 9.4	\$ 6.3	\$ 6.4	\$ 5.9	\$ 5.2	\$ 6.3	\$ 6.8	\$ 3.2	\$ 2.1	\$ 1.6	\$ 2.6	\$ 3.9	\$ 5.5	\$ 6.2	\$ 9.5	\$ 8.9	\$ 9.6	\$ 11.5	\$ 13.9
\$ Million	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Sales	\$ 157.7	\$ 173.9	\$ 191.6	\$ 218.5	\$ 252.5	\$ 510.0	\$ 604.7	\$ 665.3	\$ 848.3	\$ 949.4	\$ 1,122.6	\$ 1,225.4	\$ 1,400.1	\$ 1,697.9	\$ 2,080.8	\$ 2,321.2	\$ 2,727.5	\$ 3,545.7	\$ 4,300.0	\$ 5,090.6	\$ 5,975.2	\$ 7,027.4
COGS	\$ 43.7	\$ 50.2	\$ 57.1	\$ 67.6	\$ 76.2	\$ 234.6	\$ 287.7	\$ 326.6	\$ 452.7	\$ 504.7	\$ 613.1	\$ 661.4	\$ 749.3	\$ 930.7	\$ 1,193.0	\$ 1,298.3	\$ 1,491.0	\$ 1,846.4	\$ 2,224.5	\$ 2,587.7	\$ 3,006.5	\$ 3,442.0
Gross profit	\$ 114.0	\$ 123.6	\$ 134.6	\$ 150.9	\$ 176.4	\$ 275.3	\$ 317.0	\$ 338.7	\$ 395.6	\$ 444.7	\$ 509.5	\$ 564.0	\$ 650.9	\$ 767.2	\$ 887.7	\$ 1,023.0	\$ 1,236.5	\$ 1,699.3	\$ 2,075.5	\$ 2,502.8	\$ 2,968.7	\$ 3,585.4
SG&A expenses	\$ 85.8	\$ 93.2	\$ 102.3	\$ 117.2	\$ 141.4	\$ 215.7	\$ 250.3	\$ 269.3	\$ 310.4	\$ 354.9	\$ 409.4	\$ 455.4	\$ 530.1	\$ 630.9	\$ 715.3	\$ 821.5	\$ 982.0	\$ 1,343.2	\$ 1,645.1	\$ 2,022.1	\$ 2,393.7	\$ 2,942.1
Amortization of intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating profit	\$ 28.1	\$ 30.4	\$ 32.3	\$ 33.8	\$ 35.0	\$ 59.6	\$ 66.7	\$ 69.4	\$ 85.2	\$ 89.8	\$ 100.0	\$ 108.5	\$ 120.8	\$ 136.3	\$ 172.4	\$ 201.5	\$ 254.5	\$ 356.1	\$ 430.4	\$ 480.7	\$ 575.0	\$ 643.3
Interest expense, net	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ (0.6)	\$ (0.4)	\$ (0.1)	\$ (0.9)	\$ (1.2)	\$ 2.8	\$ (3.2)	\$ (6.6)	\$ (4.6)	\$ 26.5	\$ 17.0	\$ 5.4	\$ 18.9	\$ 30.2	\$ 47.6	\$ 82.2	\$ 98.9
Other income	\$ 0.2	\$ 0.8	\$ 1.3	\$ 1.8	\$ 0.2	\$ (3.1)	\$ (4.7)	\$ (6.4)	\$ (3.6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings before tax	\$ 27.3	\$ 30.1	\$ 32.5	\$ 34.4	\$ 34.1	\$ 57.1	\$ 62.4	\$ 63.1	\$ 82.5	\$ 91.0	\$ 97.2	\$ 111.8	\$ 127.4	\$ 140.9	\$ 145.9	\$ 184.5	\$ 249.0	\$ 337.2	\$ 400.1	\$ 433.1	\$ 492.8	\$ 544.5
Tax	\$ 13.7	\$ 15.3	\$ 17.9	\$ 18.2	\$ 16.3	\$ 26.5	\$ 27.8	\$ 26.2	\$ 39.2	\$ 42.0	\$ 41.2	\$ 49.9	\$ 58.2	\$ 64.3	\$ 61.5	\$ 81.7	\$ 113.0	\$ 149.9	\$ 174.3	\$ 168.3	\$ 201.1	\$ 211.0
Net profit	\$ 13.7	\$ 14.7	\$ 14.7	\$ 16.2	\$ 17.8	\$ 30.6	\$ 34.6	\$ 36.9	\$ 43.3	\$ 49.0	\$ 56.0	\$ 61.8	\$ 69.2	\$ 76.6	\$ 84.4	\$ 102.7	\$ 136.0	\$ 187.3	\$ 225.8	\$ 264.9	\$ 291.8	\$ 333.5
Other income, net of taxes	\$ 0.5	\$ (0.4)	\$ 0.8	\$ (0.1)	\$ 0.8	\$ 2.6	\$ 3.4	\$ 2.3	\$ 3.1	\$ 0.4	\$ 0.0	\$ 0.8	\$ 2.5	\$ 3.0	\$ 3.0	\$ 1.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit to shareholders	\$ 14.2	\$ 14.4	\$ 15.4	\$ 16.1	\$ 18.6	\$ 33.2	\$ 38.0	\$ 39.2	\$ 46.5	\$ 49.4	\$ 56.1	\$ 62.7	\$ 71.7	\$ 79.6	\$ 87.4	\$ 104.6	\$ 136.0	\$ 187.3	\$ 225.8	\$ 264.9	\$ 291.8	\$ 333.5
\$ Million	1982	1983	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Sales	\$ 7,499.0	\$ 7,895.9	\$ 8,056.7	\$ 9,290.8	\$ 11,485.2	\$ 13,007.0	\$ 15,242.4	\$ 17,802.7	\$ 19,607.9	\$ 21,970.0	\$ 25,020.7	\$ 28,472.4	\$ 30,421.0	\$ 31,645.0	\$ 20,917.0	\$ 22,348.0	\$ 20,367.0	\$ 20,438.0	\$ 26,935.0	\$ 25,112.0	\$ 26,971.0	\$ 29,261.0
COGS	\$ 3,522.1	\$ 3,615.1	\$ 3,148.3	\$ 3,731.8	\$ 4,459.2	\$ 6,255.8	\$ 7,467.7	\$ 8,609.9	\$ 9,395.5	\$ 10,492.6	\$ 11,946.1	\$ 13,715.4	\$ 14,886.0	\$ 15,383.0	\$ 8,525.0	\$ 9,330.0	\$ 8,198.0	\$ 9,330.0	\$ 10,754.0	\$ 11,497.0	\$ 12,379.0	\$ 13,406.0
Gross profit	\$ 3,976.9	\$ 4,280.8	\$ 4,908.4	\$ 5,559.0	\$ 7,026.0	\$ 6,751.2	\$ 7,774.7	\$ 9,192.8	\$ 10,212.4	\$ 11,477.4	\$ 13,074.6	\$ 14,757.0	\$ 15,535.0	\$ 16,262.0	\$ 12,392.0	\$ 13,018.0	\$ 12,169.0	\$ 12,495.0	\$ 16,181.0	\$ 13,615.0	\$ 14,592.0	\$ 15,855.0
SG&A expenses	\$ 3,333.4	\$ 3,732.3	\$ 4,171.3	\$ 4,738.4	\$ 5,882.7	\$ 5,391.2	\$ 5,991.8	\$ 6,948.1	\$ 7,880.8	\$ 8,840.3	\$ 9,864.4	\$ 11,243.6	\$ 11,712.0	\$ 12,593.0	\$ 9,241.0	\$ 9,924.0	\$ 9,103.0	\$ 9,132.0	\$ 11,608.0	\$ 8,523.0	\$ 9,460.0	\$ 10,299.0
Amortization of intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189.1	\$ 208.7	\$ 265.9	\$ 303.7	\$ 312.2	\$ 316.0	\$ 301.0	\$ 199.0	\$ 222.0	\$ 183.0	\$ 138.0	\$ 165.0	\$ 138.0	\$ 145.0	\$ 147.0
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 520.0	\$ 822.0	\$ 290.0	\$ 288.0	\$ 65.0	\$ -	\$ 387.0	\$ 224.0	\$ 206.0	\$ 150.0
Operating profit	\$ 643.6	\$ 548.5	\$ 737.1	\$ 820.6	\$ 1,143.3	\$ 1,360.0	\$ 1,782.9	\$ 2,055.6	\$ 2,122.9	\$ 2,371.2	\$ 2,906.5	\$ 3,201.2	\$ 2,987.0	\$ 2,546.0	\$ 2,662.0	\$ 2,584.0	\$ 2,818.0	\$ 3,225.0	\$ 4,021.0	\$ 4,730.0	\$ 4,781.0	\$ 5,259.0
Interest expense, net	\$ 113.1	\$ 123.4	\$ 99.0	\$ 140.3	\$ 182.9	\$ 222.4	\$ 432.4	\$ 506.4	\$ 452.6	\$ 472.4	\$ 484.0	\$ 554.6	\$ 555.0	\$ 499.0	\$ 353.0	\$ 321.0	\$ 245.0	\$ 145.0	\$ 152.0	\$ 142.0	\$ 112.0	\$ 93.0
Other income	\$ -	\$ -	\$ 25.9	\$ -	\$ -	\$ -	\$ -	\$ 118.2	\$ -	\$ -	\$ -	\$ 17.8	\$ -	\$ -	\$ -	\$ -	\$ 1,083.0	\$ 130.0	\$ 160.0	\$ 280.0	\$ 323.0	\$ 380.0
Earnings before tax	\$ 530.5	\$ 425.1	\$ 664.0	\$ 680.3	\$ 960.4	\$ 1,137.6	\$ 1,350.5	\$ 1,667.4	\$ 1,670.3	\$ 1,898.8	\$ 2,422.5	\$ 2,664.4	\$ 2,432.0	\$ 2,047.0	\$ 2,309.0	\$ 2,263.0	\$ 3,656.0	\$ 3,210.0	\$ 4,029.0	\$ 4,868.0	\$ 4,992.0	\$ 5,546.0
Tax	\$ 226.8	\$ 141.0	\$ 243.9	\$ 222.5	\$ 355.3	\$ 375.4	\$ 449.1	\$ 576.8	\$ 590.1	\$ 597.1	\$ 834.6	\$ 880.4	\$ 826.0	\$ 898.0	\$ 818.0	\$ 270.0	\$ 1,606.0	\$ 1,027.0	\$ 1,367.0	\$ 1,555.0	\$ 1,424.0	\$ 1,372.0
Net profit	\$ 303.7	\$ 284.1	\$ 420.1	\$ 457.8	\$ 605.1	\$ 762.2	\$ 901.4	\$ 1,090.6	\$ 1,080.2	\$ 1,301.7	\$ 1,587.9	\$ 1,784.0	\$ 1,606.0	\$ 1,149.0	\$ 1,491.0	\$ 1,993.0	\$ 2,050.0	\$ 2,183.0	\$ 2,662.0	\$ 3,313.0	\$ 3,568.0	\$ 4,174.0
Other income, net of taxes	\$ (79.4)	\$ -	\$ 123.6	\$ (10.3)	\$ -	\$ -	\$ (13.7)	\$ -	\$ -	\$ -	\$ (32.0)	\$ -	\$ -	\$ 651.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38.0
Minority interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit to shareholders	\$ 224.3	\$ 284.1	\$ 543.7	\$ 457.8	\$ 594.8	\$ 762.2	\$ 901.4	\$ 1,076.9	\$ 1,080.2	\$ 1,301.7	\$ 1,587.9	\$ 1,752.0	\$ 1,606.0	\$ 1,149.0	\$ 2,142.0	\$ 1,993.0	\$ 2,050.0	\$ 2,183.0	\$ 2,662.0	\$ 3,313.0	\$ 3,568.0	\$ 4,212.0
\$ Million	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Sales	\$ 32,562.0	\$ 35,137.0	\$ 39,474.0	\$ 43,232.0	\$ 57,838.0	\$ 66,504.0	\$ 65,492.0	\$ 66,415.0	\$ 66,683.0	\$ 63,056.0	\$ 62,799.0	\$ 63,525.0	\$ 64,661.0	\$ 67,161.0	\$ 70,372.0	\$ 79,474.0	\$ 86,392.0	\$ 91,471.0	\$ 91,854.0			
COGS	\$ 14,176.0	\$ 15,762.0	\$ 18,038.0	\$ 20,351.0	\$ 20,099.0	\$ 26,575.0	\$ 31,593.0	\$ 31,291.0	\$ 31,243.0	\$ 30,884.0	\$ 28,209.0	\$ 28,785.0	\$ 29,381.0	\$ 30,132.0	\$ 31,797.0	\$ 37,075.0	\$ 40,576.0	\$ 41,881.0	\$ 41,744.0			
Gross profit	\$ 18,386.0	\$ 19,375.0	\$ 21,436.0	\$ 22,900.0	\$ 23,133.0	\$ 31,263.0	\$ 34,911.0	\$ 34,201.0	\$ 35,172.0	\$ 34,672.0	\$ 34,590.0	\$ 34,740.0	\$ 35,280.0	\$ 37,029.0	\$ 38,575.0	\$ 42,399.0	\$ 45,816.0	\$ 49,590.0	\$ 50,110.0			
SG&A expenses	\$ 12,314.0	\$ 12,774.0	\$ 14,208.0	\$ 15,901.0	\$ 15,026.0	\$ 22,814.0	\$ 25,145.0	\$ 24,970.0	\$ 25,357.0	\$ 26,126.0	\$ 24,885.0	\$ 24,735.0	\$ 24,231.0	\$ 25,170.0	\$ 26,738.0	\$ 28,495.0	\$ 31,237.0	\$ 34,459.0	\$ 36,677.0	\$ 37,190.0		
Amortization of intangibles	\$ 150.0	\$ 162.0	\$ 58.0	\$ 64.0	\$ 63.0	\$ 117.0	\$ 133.0	\$ 119.0	\$ 110.0	\$ 92.0	\$ 75.0	\$ 70.0	\$ -	\$ -	\$ -	\$ -	\$ 3,166.0	\$ 927.0	\$ 33.0			
Other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,359.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,321.0)	\$ -	\$ -			
Operating profit	\$ 5,922.0	\$ 6,439																				

Valuation

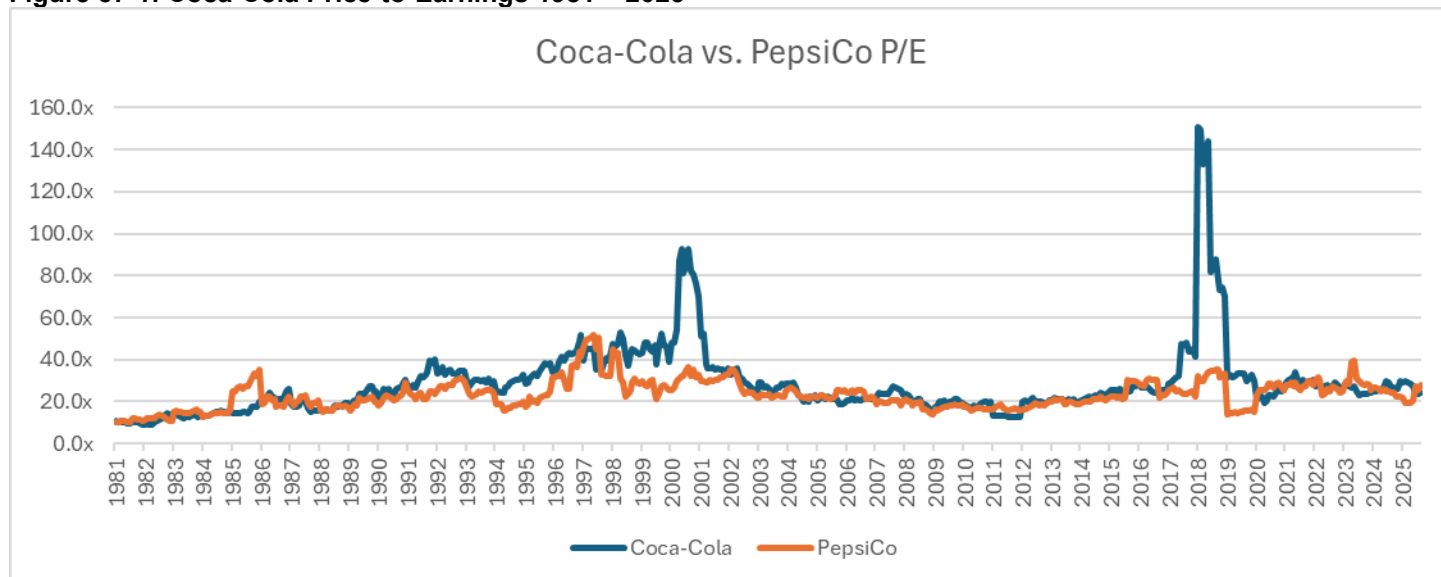
Figure 56: Coca-Cola Stock Price 8/29/1919 – 10/31/2025



Notes:

1. The above data is from Global Financial Data.
2. Total returns include dividends reinvested.
3. Throughout its history, the Coca-Cola Company has conducted 12 stock splits. As a result, one share purchased at the time of the IPO is equivalent to 9,216 shares today.³⁰⁰

Figure 57-1: Coca-Cola Price-to-Earnings 1981 – 2025



Notes:

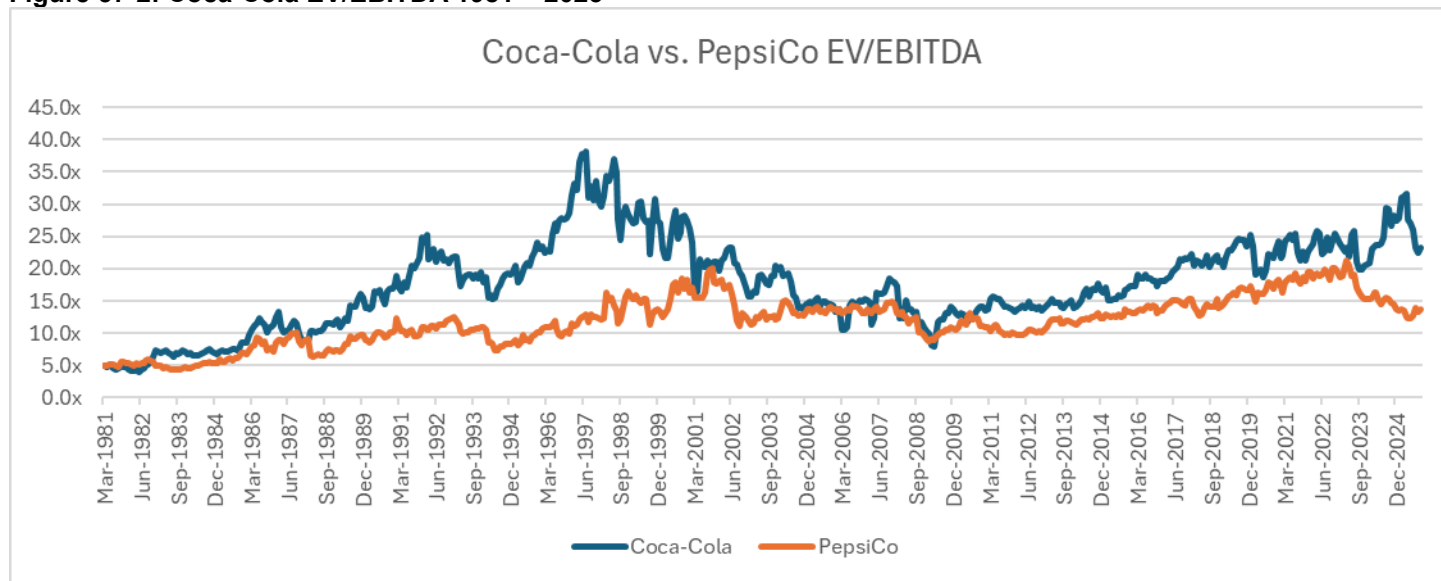
1. The above data is from FactSet. Both FactSet and Bloomberg data go back only to 1980.
2. The spike observed around 2000 for the Coca-Cola Company was primarily driven by two one-time charges. In the fourth quarter of 1999, the company recorded an \$813 million impairment charge related to certain bottling, manufacturing, and intangible assets, mainly in its international segments.³⁰¹ In 2000, Coca-Cola incurred \$1.4 billion in charges associated with further impairments and a company-wide reorganization ("Realignment"). As a result, the company's net income declined to \$2.4 billion in 1999 and \$2.2 billion in 2000, down from \$3.5 billion in 1998.
3. The spike seen around 2018 for Coca-Cola was primarily driven by a one-time net charge of \$3.6 billion in the fourth quarter of 2017 from the U.S. Tax Reform Act. This legislation required the company to pay taxes on historical

³⁰⁰ Splits. The Coca-Cola Company. <https://investors.coca-colacompany.com/stock-info/splits>

³⁰¹

offshore earnings that had not been repatriated to the United States. As a result, Coca-Cola reported net income of \$1.18 billion for fiscal year 2017, down from \$6.55 billion in 2016.³⁰²

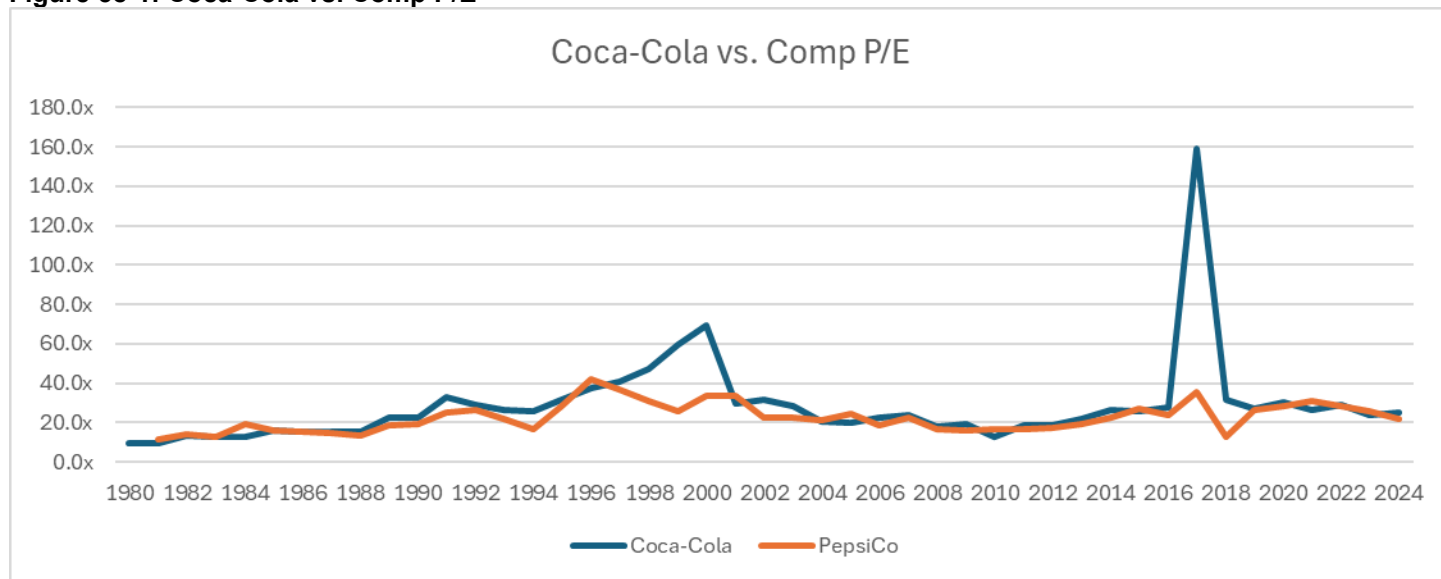
Figure 57-2: Coca-Cola EV/EBITDA 1981 – 2025



Note:

1. The above data is from FactSet. Both FactSet and Bloomberg data go back only to 1980.

Figure 58-1: Coca-Cola vs. Comp P/E



P/E	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Coca-Cola	9.8x	9.5x	13.2x	13.0x	13.1x	16.3x	15.6x	15.7x	15.7x	22.4x	22.8x	33.0x	29.3x	26.6x	26.0x	31.3x	37.6x	40.6x	47.2x	59.4x	69.2x	29.5x	31.8x	28.7x
PepsiCo		11.3x	14.2x	12.7x	19.6x	16.1x	15.1x	15.0x	13.7x	18.8x	19.1x	25.0x	26.4x	21.6x	16.4x	28.1x	41.7x	36.6x	30.9x	25.9x	33.5x	33.4x	22.5x	22.7x
P/E	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Average	Median	
Coca-Cola	20.8x	19.8x	22.3x	23.9x	18.2x	19.5x	13.0x	19.0x	18.4x	21.7x	26.5x	25.7x	27.7x	159.0x	31.6x	26.8x	30.6x	26.3x	29.0x	23.9x	25.3x	28.6x	25.3x	
PepsiCo	21.3x	24.7x	18.7x	22.6x	17.0x	16.2x	16.8x	16.5x	17.4x	19.1x	22.7x	27.4x	24.0x	35.5x	12.6x	26.5x	28.4x	31.0x	28.1x	25.9x	21.8x	22.6x	22.2x	

Notes:

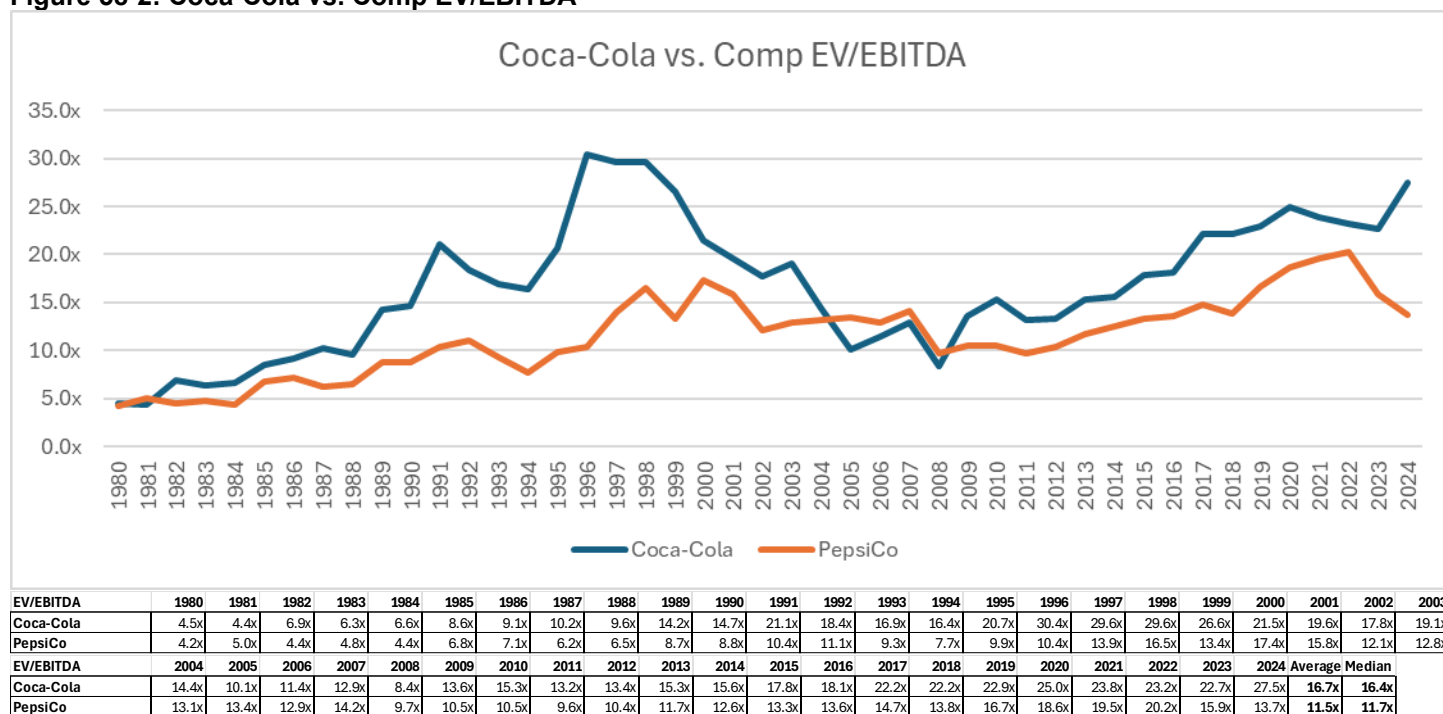
1. The above data is from FactSet.
2. An empty cell indicates unavailable data.
3. The spike observed around 2000 for the Coca-Cola Company was primarily driven by two one-time charges. In the fourth quarter of 1999, the company recorded an \$813 million impairment charge related to certain bottling,

³⁰² The Coca-Cola Company Reports Strong Operating Results for Fourth Quarter and Full Year 2017. <https://investors.coca-colacompany.com/news-events/press-releases/detail/929/the-coca-cola-company-reports-strong-operating-results-for-fourth-quarter-and-full-year-2017-achieves-or-exceeds-the-companys-full-year-guidance>; The Coca-Cola Company 10-K 2017.

manufacturing, and intangible assets, mainly in its international segments.³⁰³ In 2000, Coca-Cola incurred \$1.4 billion in charges associated with further impairments and a company-wide reorganization (“Realignment”). As a result, the company’s net income declined to \$2.4 billion in 1999 and \$2.2 billion in 2000, down from \$3.5 billion in 1998.

4. The spike seen around 2018 for Coca-Cola was primarily driven by a one-time net charge of \$3.6 billion in the fourth quarter of 2017 from the U.S. Tax Reform Act. This legislation required the company to pay taxes on historical offshore earnings that had not been repatriated to the United States. As a result, Coca-Cola reported net income of \$1.18 billion for fiscal year 2017, down from \$6.55 billion in 2016.³⁰⁴

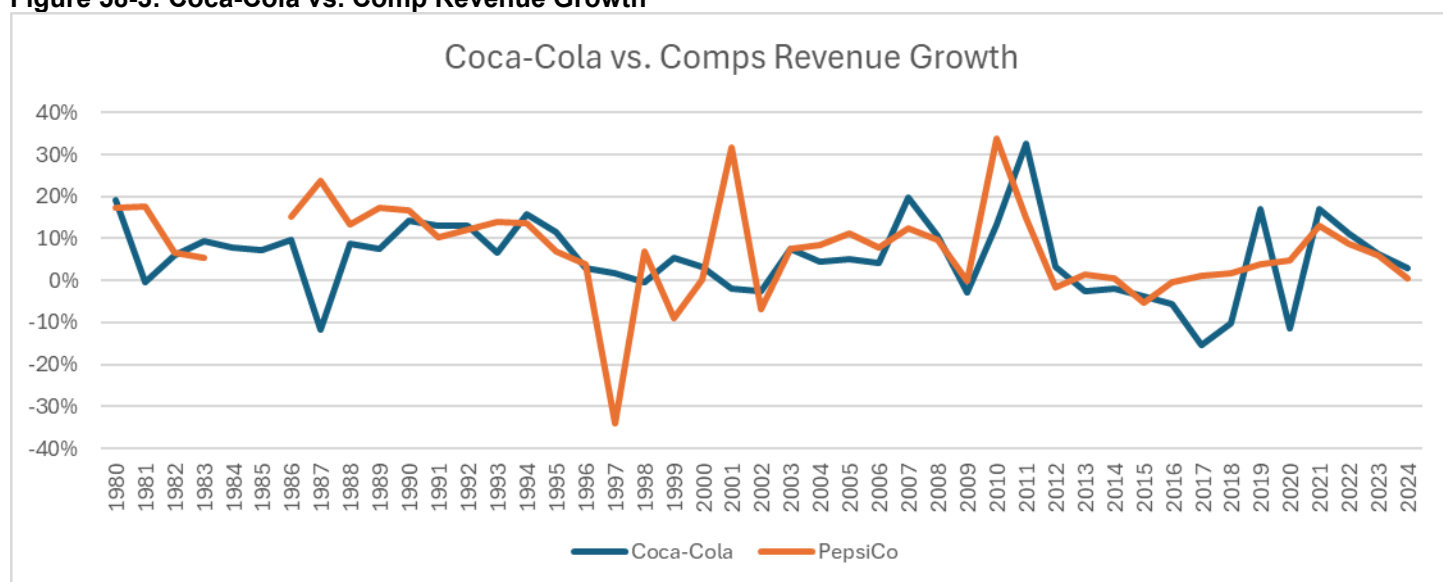
Figure 58-2: Coca-Cola vs. Comp EV/EBITDA



Note:

1. The above data is from FactSet.

Figure 58-3: Coca-Cola vs. Comp Revenue Growth



³⁰³ The Coca-Cola Annual Report 1999.

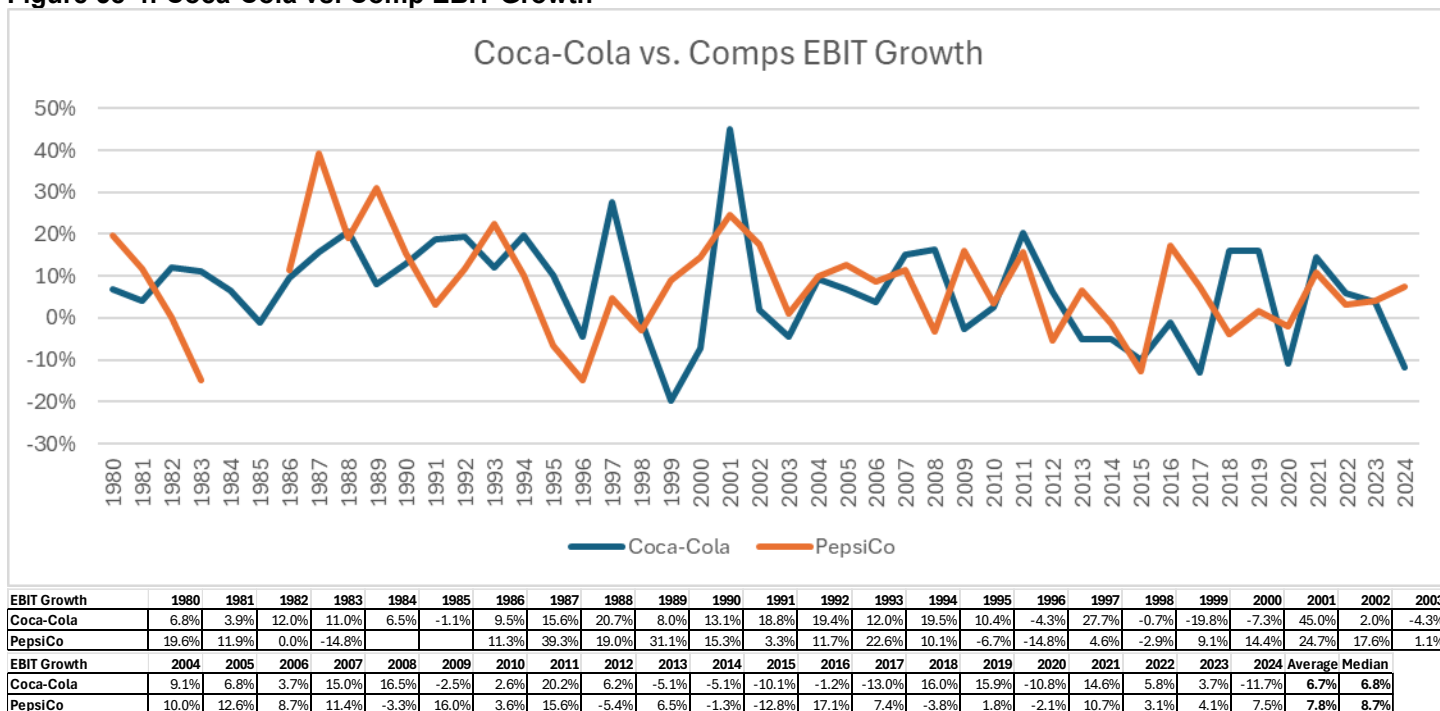
³⁰⁴ The Coca-Cola Company Reports Strong Operating Results for Fourth Quarter and Full Year 2017. <https://investors.coca-colacompany.com/news-events/press-releases/detail/929/the-coca-cola-company-reports-strong-operating-results-for-fourth-quarter-and-full-year-2017-achieves-or-exceeds-the-companys-full-year-guidance>; The Coca-Cola Company 10-K 2017.

Revenue Growth	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Coca-Cola	19.2%	-0.4%	6.1%	9.3%	7.8%	7.3%	9.7%	-11.7%	8.9%	7.5%	14.2%	13.0%	13.0%	6.8%	15.9%	11.4%	2.9%	1.7%	-0.3%	5.3%	3.3%	-1.8%	-2.6%	7.6%
PepsiCo	17.4%	17.6%	6.7%	5.3%			15.3%	23.6%	13.3%	17.2%	16.8%	10.1%	12.0%	13.9%	13.8%	6.8%	4.0%	-33.9%	6.8%	-8.9%	0.3%	31.8%	-6.8%	7.4%
Revenue Growth	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Average	Median	
Coca-Cola	4.4%	5.2%	4.3%	19.8%	10.7%	-3.0%	13.3%	32.5%	3.2%	-2.4%	-1.8%	-3.7%	-5.5%	-15.4%	-10.0%	17.0%	-11.4%	17.1%	11.3%	6.4%	2.9%	5.5%	6.1%	
PepsiCo	8.5%	11.3%	7.9%	12.3%	9.6%	0.0%	33.8%	15.0%	-1.5%	1.4%	0.4%	-5.4%	-0.4%	1.2%	1.8%	3.9%	4.8%	12.9%	8.7%	5.9%	0.4%	7.5%	7.4%	

Notes:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.

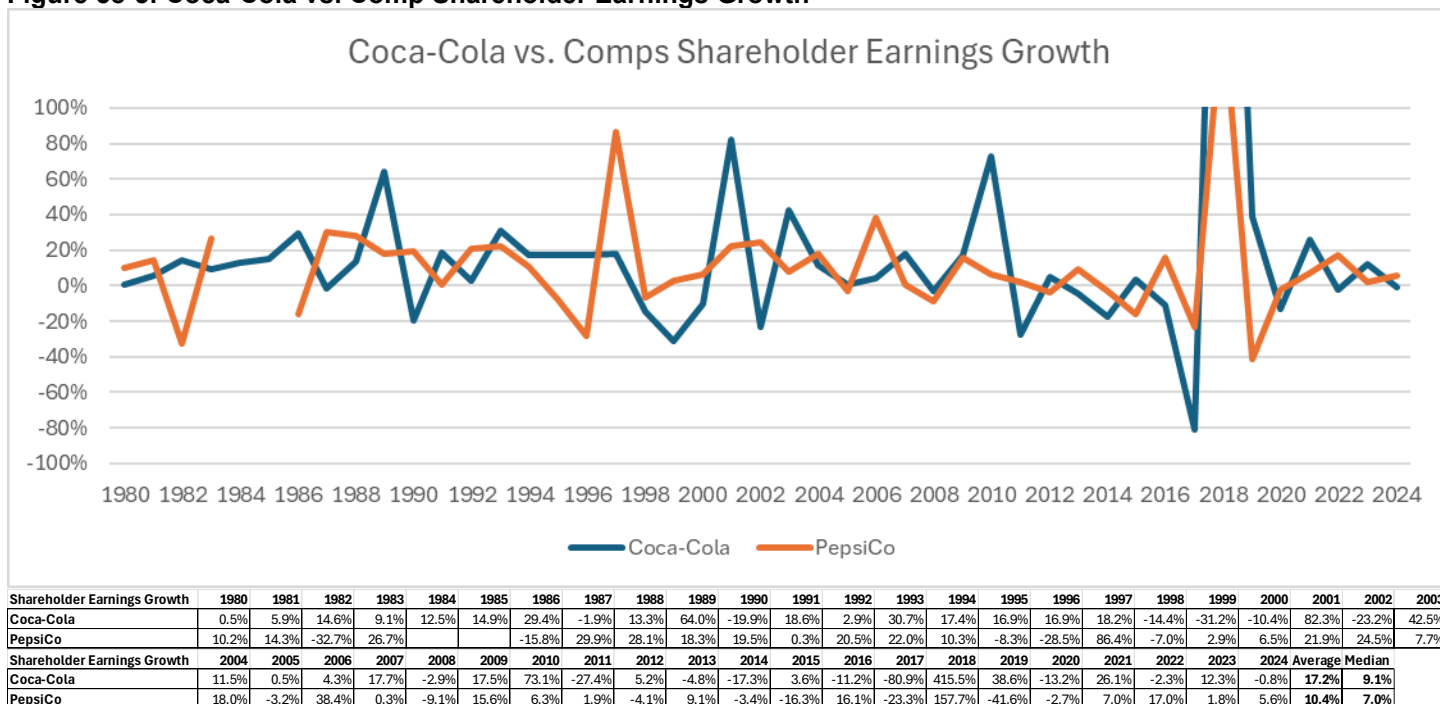
Figure 58-4: Coca-Cola vs. Comp EBIT Growth



Notes:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.

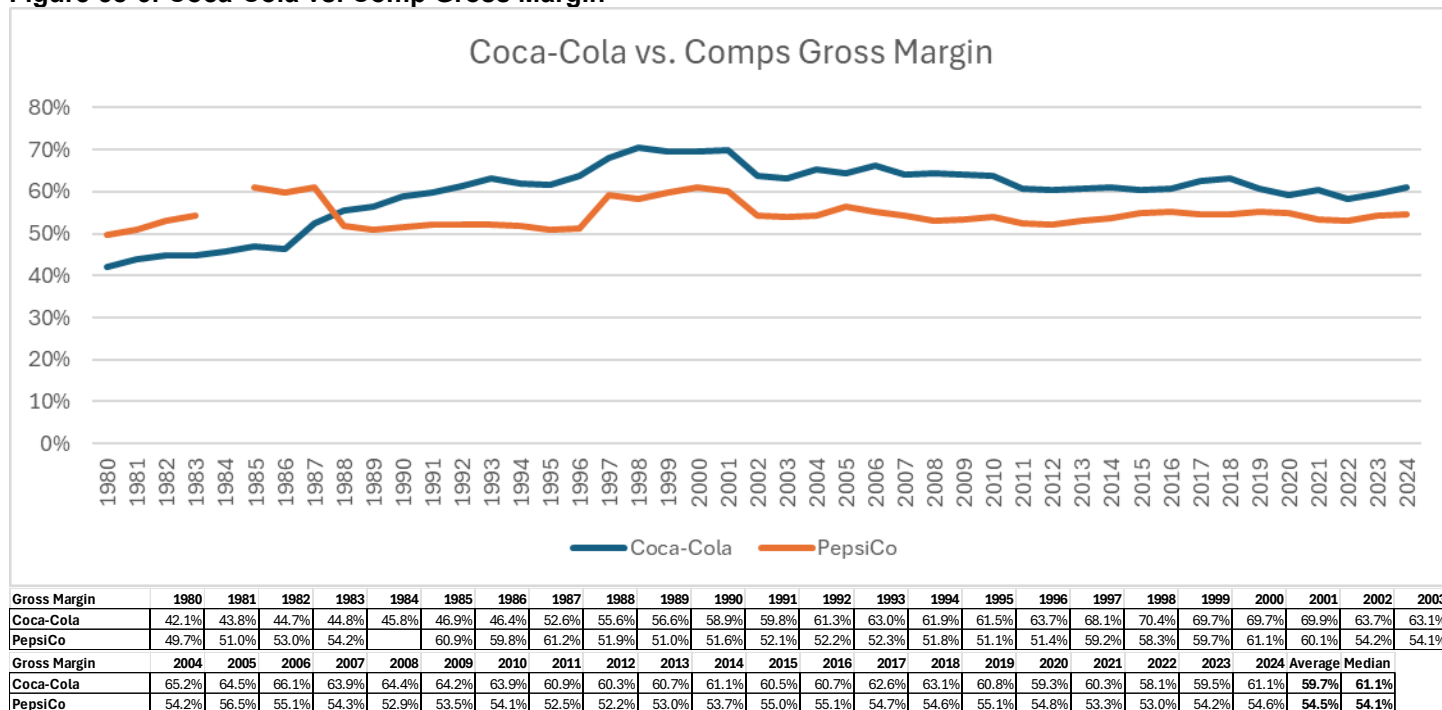
Figure 58-5: Coca-Cola vs. Comp Shareholder Earnings Growth



Notes:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.

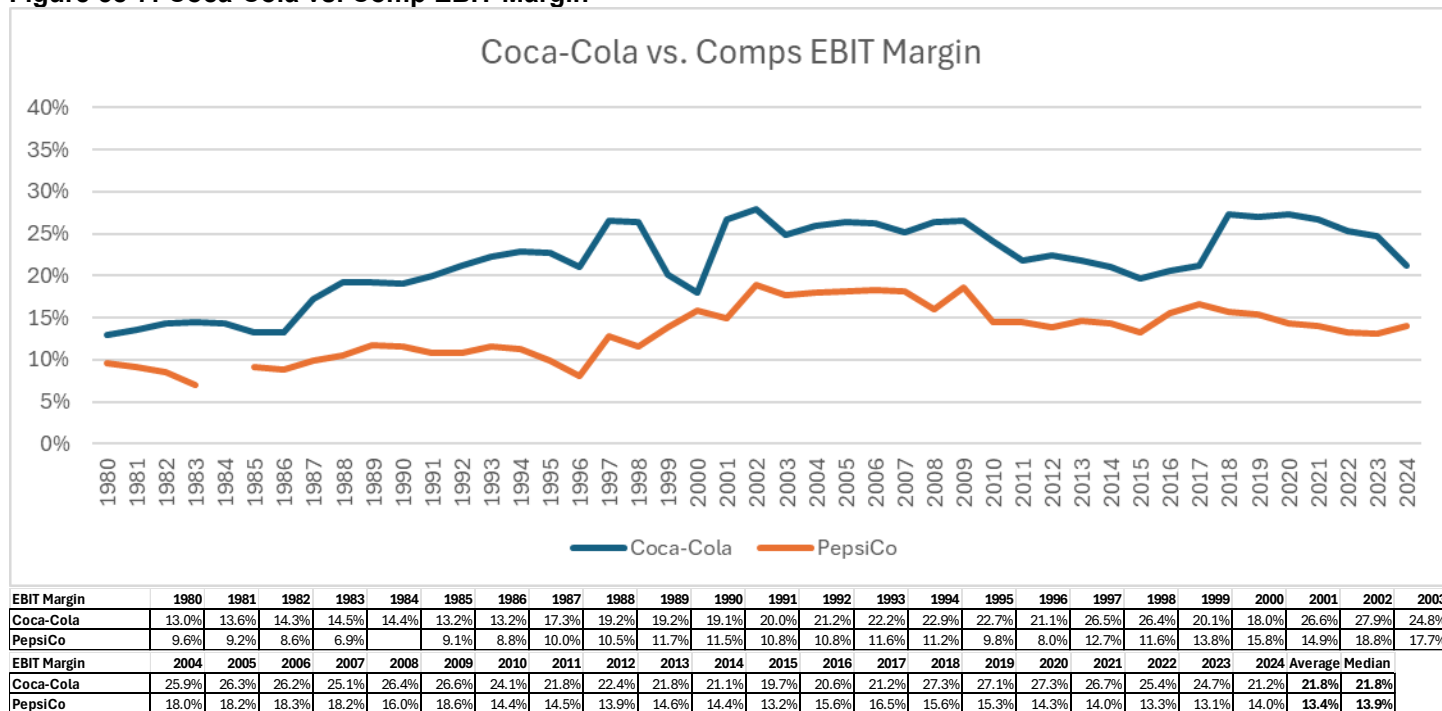
Figure 58-6: Coca-Cola vs. Comp Gross Margin



Notes:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.

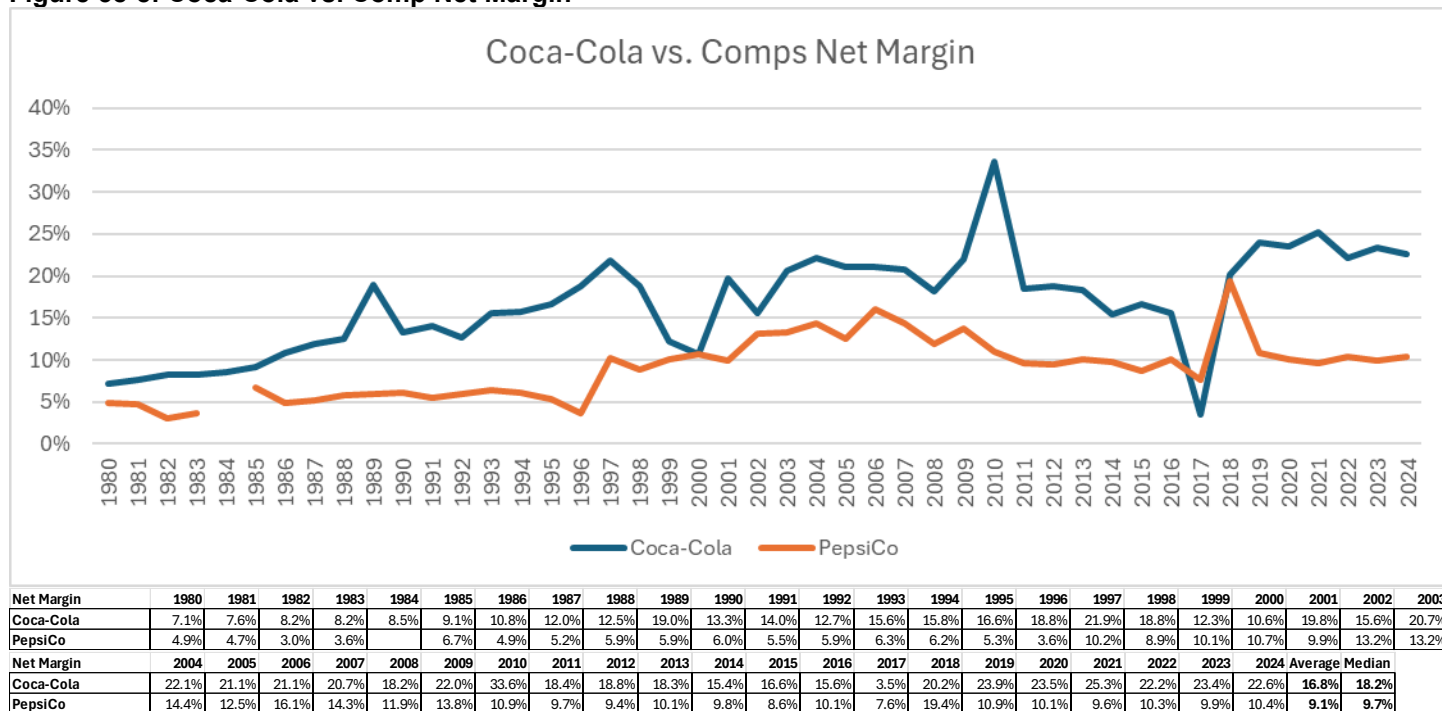
Figure 58-7: Coca-Cola vs. Comp EBIT Margin



Notes:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.

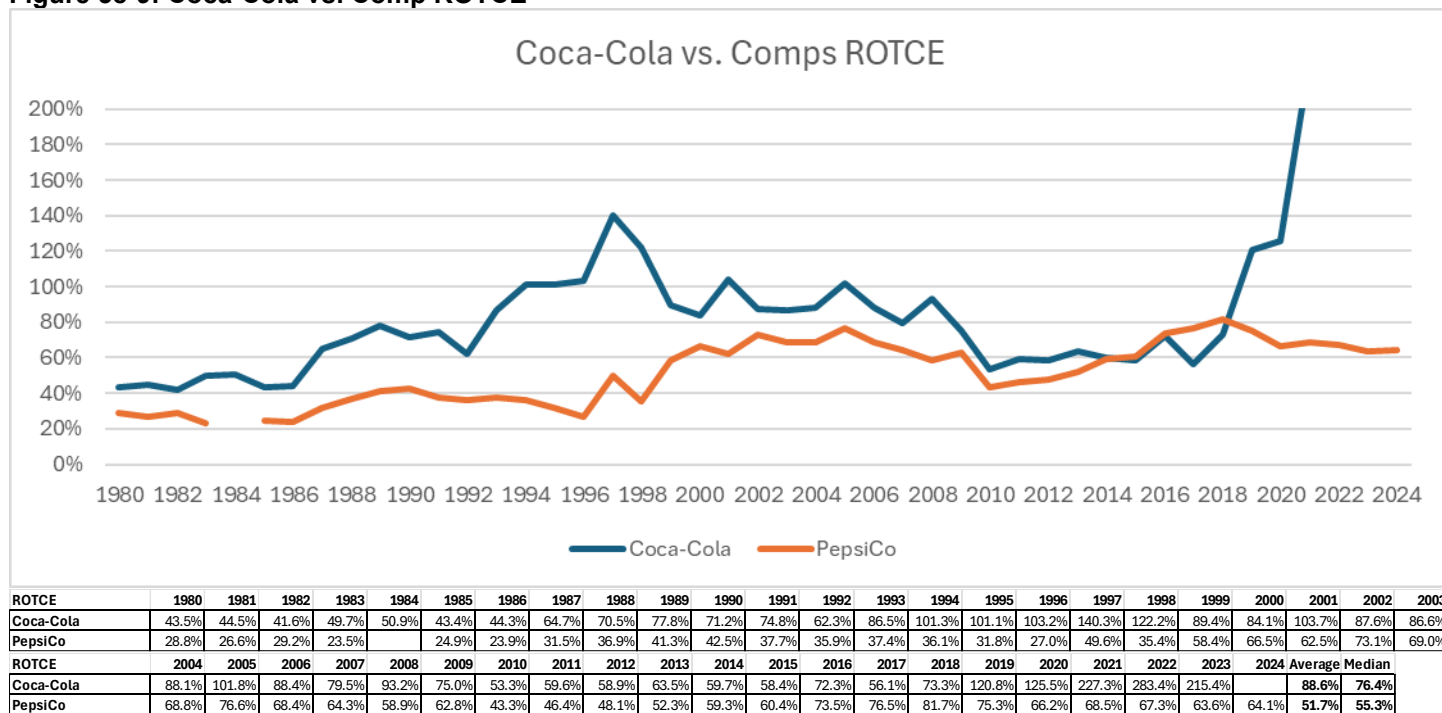
Figure 58-8: Coca-Cola vs. Comp Net Margin



Notes:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.

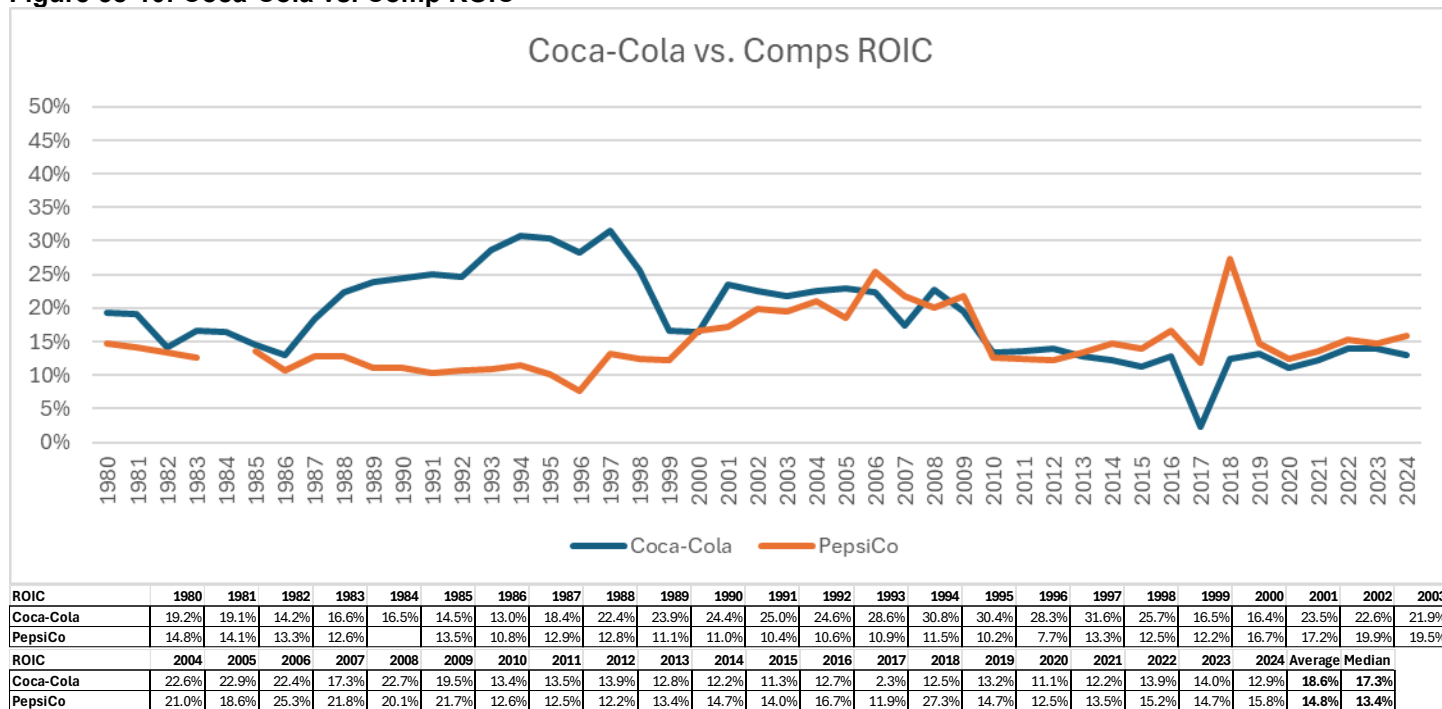
Figure 58-9: Coca-Cola vs. Comp ROTCE



Notes:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.
3. Coca-Cola's ROTCE for 2024 is not shown in the chart because it was negative, resulting from the company's negative tangible capital employed in that year.

Figure 58-10: Coca-Cola vs. Comp ROIC



Note:

1. The figures above are estimated based on underlying data reported in the companies' annual reports.
2. An empty cell indicates unavailable data.

Appendix

Appendix 1. Coca-Cola Condensed Financial Statements 1920

The Coca-Cola Company

COCA-COLA BUILDING ATLANTA, GEORGIA

CONSOLIDATED CONDENSED BALANCE SHEET AND PROFIT AND LOSS STATEMENT DECEMBER 31, 1920

ASSETS	LIABILITIES
CURRENT ASSETS:	CURRENT LIABILITIES:
Inventories at cost or market whichever was lower\$ 6,610,557.64	Notes and accounts payable.....\$ 8,890,241.63
OTHER BOOK AND MISCELLANEOUS	Preferred dividend payable..... 350,000.00
ASSETS 4,295,900.33	Estimated Federal Income and Excess Profits Tax..... 300,000.00
PREPAID VALUES..... 88,977.90	CAPITAL ACCOUNTS:
FIXED ASSETS	Preferred Stock Out- standing\$10,000,000.00
Land, Buildings and Machinery 4,250,680.97	Common Stock Out- standing 15,010,000.00
INTANGIBLE ASSETS:	Capital Surplus 4,590,000.00
Formulae, Trade Mark and	SURPLUS <u>1,066,097.79</u>
Good will <u>24,960,222.58</u>	
\$10,206,339.42	\$30,666,097.79
	<u>\$40,266,339.42</u>

PROFIT AND LOSS STATEMENT

Year ended December 31, 1920

NET SALES	\$32,341,423.61
LESS: Cost of operations	<u>29,567,159.16</u>
Profit from operations	\$ 2,774,269.45
LESS: Other deductions from income	<u>335,103.47</u>
Net Income	\$ 2,439,165.98
Deductions for Federal Taxes and Dividends, Net	<u>2,136,018.36</u>
Net amount added to surplus	\$ 303,147.62

WE HEREBY CERTIFY THAT THE ABOVE CONDENSED BALANCE SHEET HAS BEEN PREPARED FROM
OUR AUDITED REPORT FOR THE TWELVE MONTHS ENDED DECEMBER 31ST, 1920.

WOLF AND COMPANY ACCOUNTANTS

GENERAL OFFICE, CHICAGO, ILL.

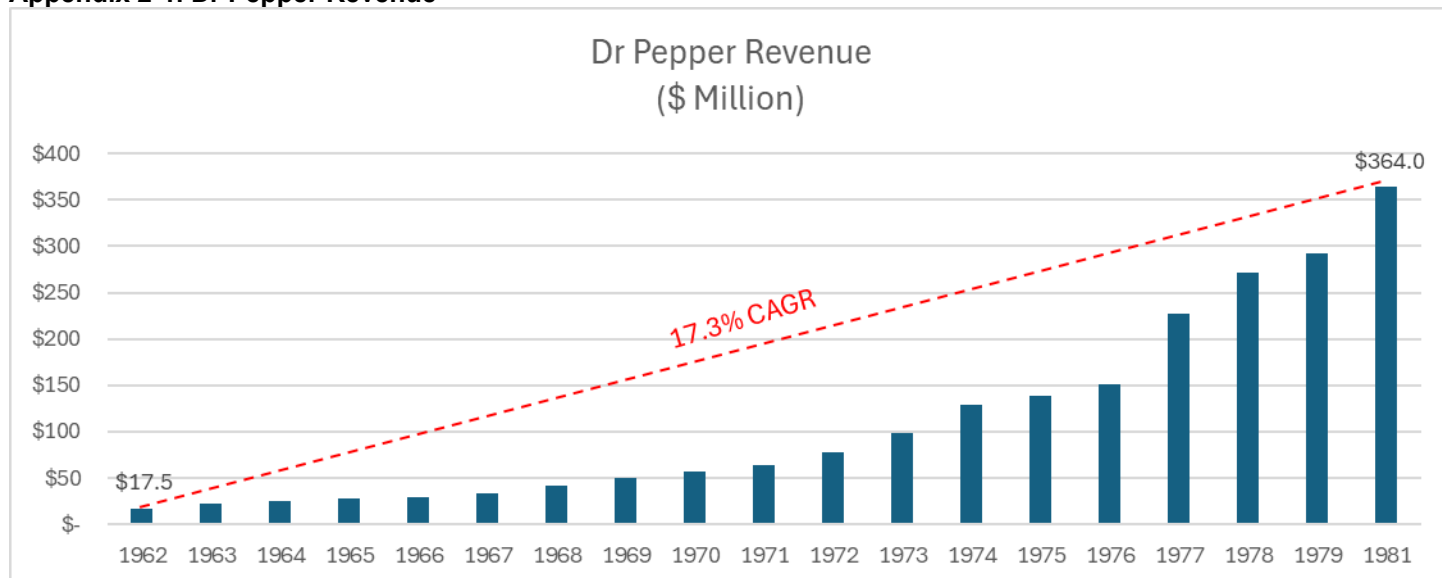
NEW YORK
PHILADELPHIA
ATLANTA

MILWAUKEE
INDIANAPOLIS
TULSA, OKLA.

CHICAGO
KANSAS CITY
DES MOINES

OKLAHOMA CITY
MUSKOGEE
FORT WORTH

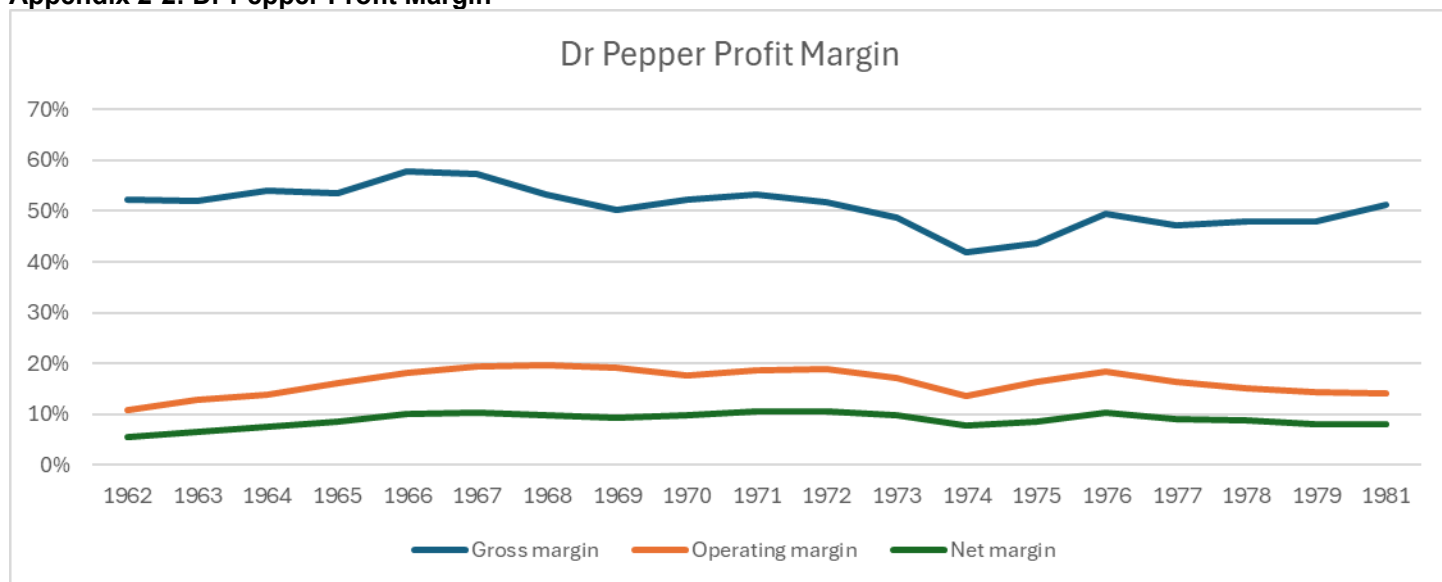
Appendix 2-1. Dr Pepper Revenue³⁰⁵



Note:

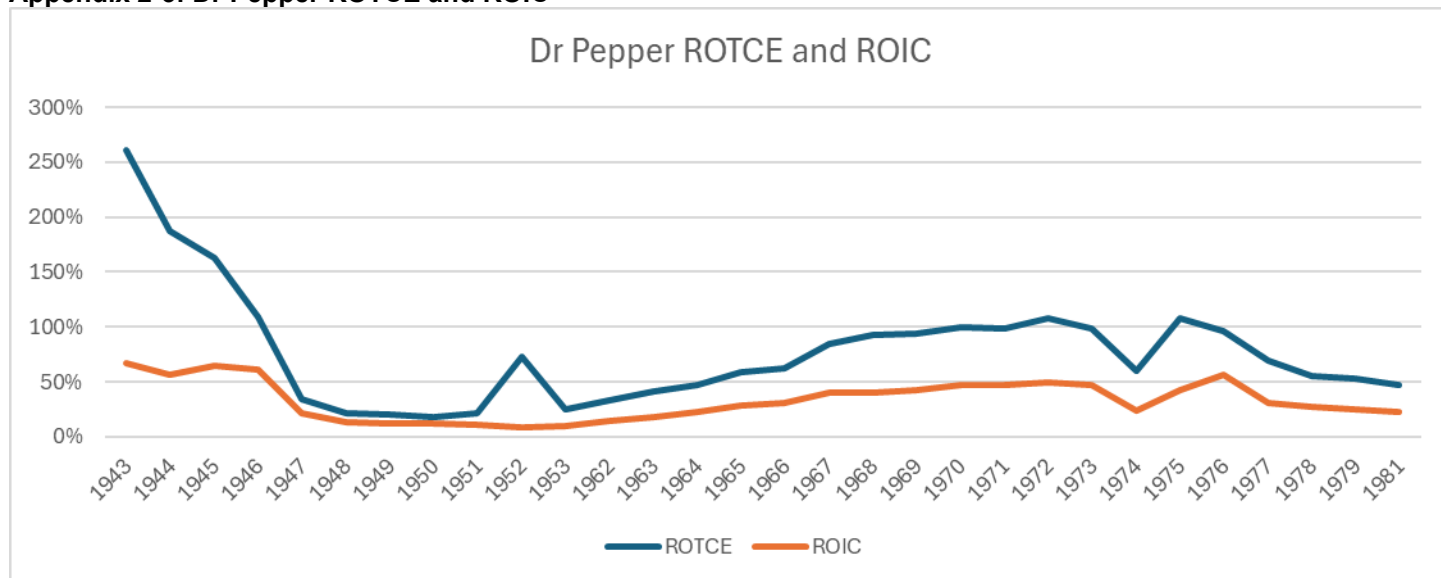
1. We believe that during the period shown in the chart, all of Dr Pepper's revenue was derived from beverages, as the company neither disclosed revenue by segment nor mentioned any other product categories in its annual reports.

Appendix 2-2: Dr Pepper Profit Margin



³⁰⁵ Dr Pepper Annual Report 1943 – 1981.

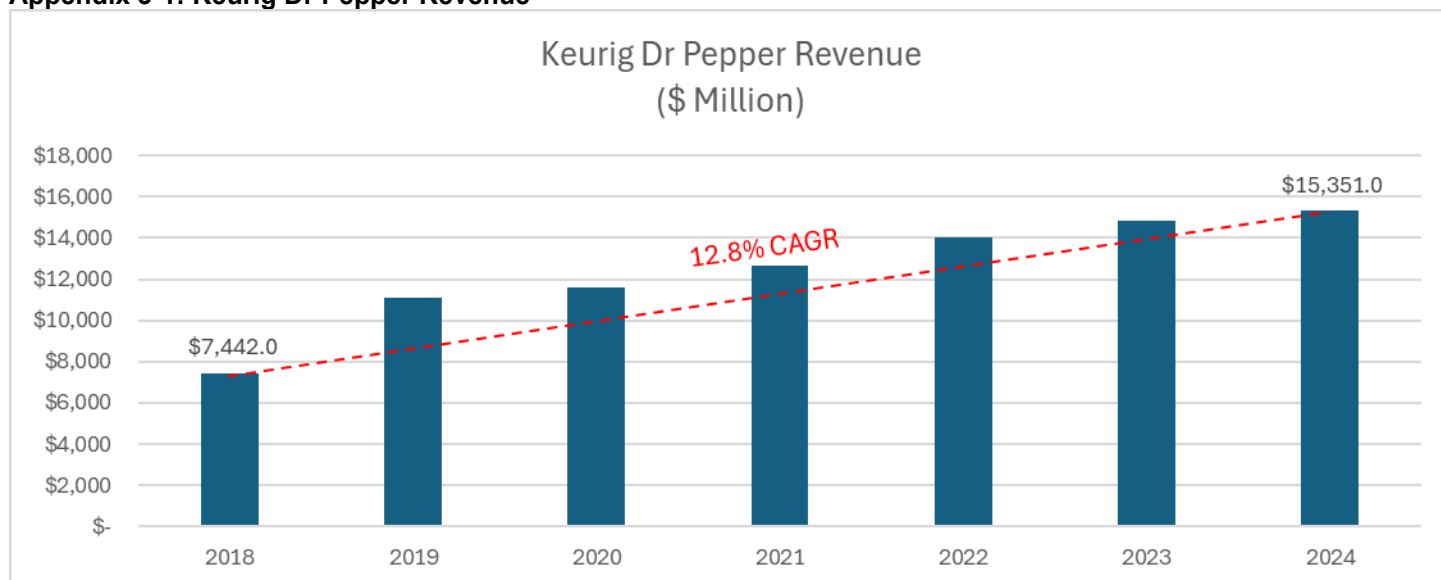
Appendix 2-3: Dr Pepper ROTCE and ROIC



Note:

- From 1943 to 2024, Dr Pepper achieved an average ROTCE of 78% and a median of 66%, while its ROIC averaged around 33% with a median of approximately 29%.

Appendix 3-1: Keurig Dr Pepper Revenue³⁰⁶

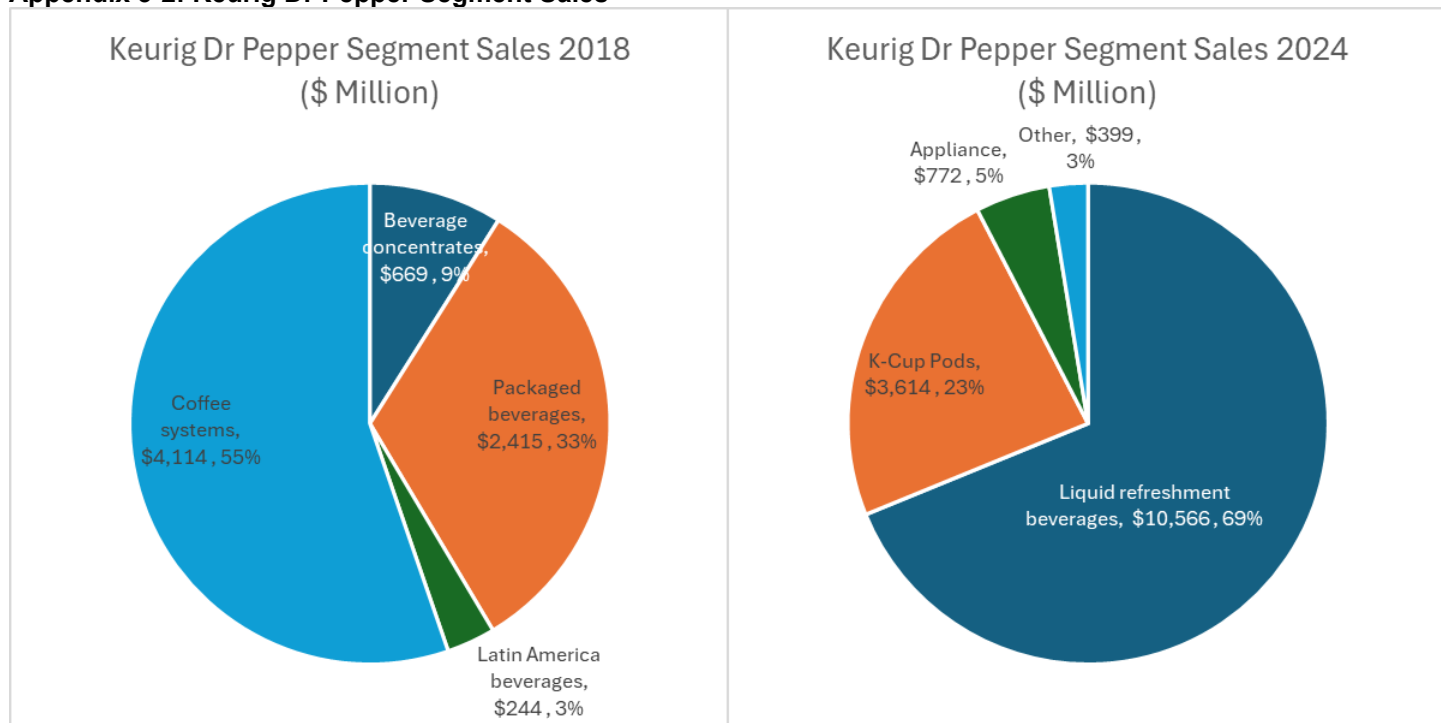


Note:

- Keurig and Dr Pepper merged in 2018.

³⁰⁶ Keurig Pepper Annual Report 2018 – 2024; FactSet.

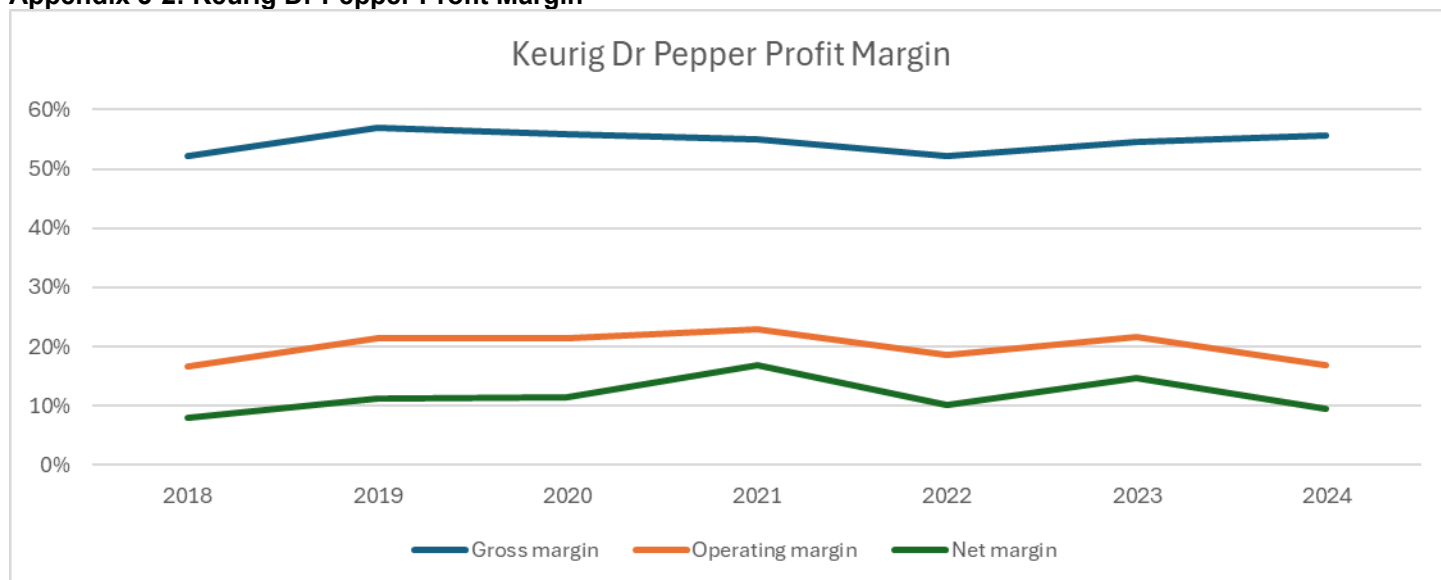
Appendix 3-2: Keurig Dr Pepper Segment Sales



Notes:

1. The Beverage Concentrates segment reflects sales of the Company's branded concentrates and syrup to third-party bottlers primarily in the U.S. and Canada. Most of the brands in this segment are carbonated soft drink brands. The Packaged Beverages segment reflects sales in the U.S. and Canada from the manufacture and distribution of finished beverages and other products, including sales of the Company's own brands and third-party brands, through both the Direct Store Delivery system and the Warehouse Direct system. The Latin America Beverages segment reflects sales in Mexico, the Caribbean, and other international markets from the manufacture and distribution of concentrates, syrup and finished beverages. The Coffee Systems segment reflects sales in the U.S. and Canada of the manufacture and distribution of finished goods relating to the Company's coffee systems, pods and brewers.³⁰⁷
2. Liquid refreshment beverages include both beverage concentrates and packaged beverages.³⁰⁸

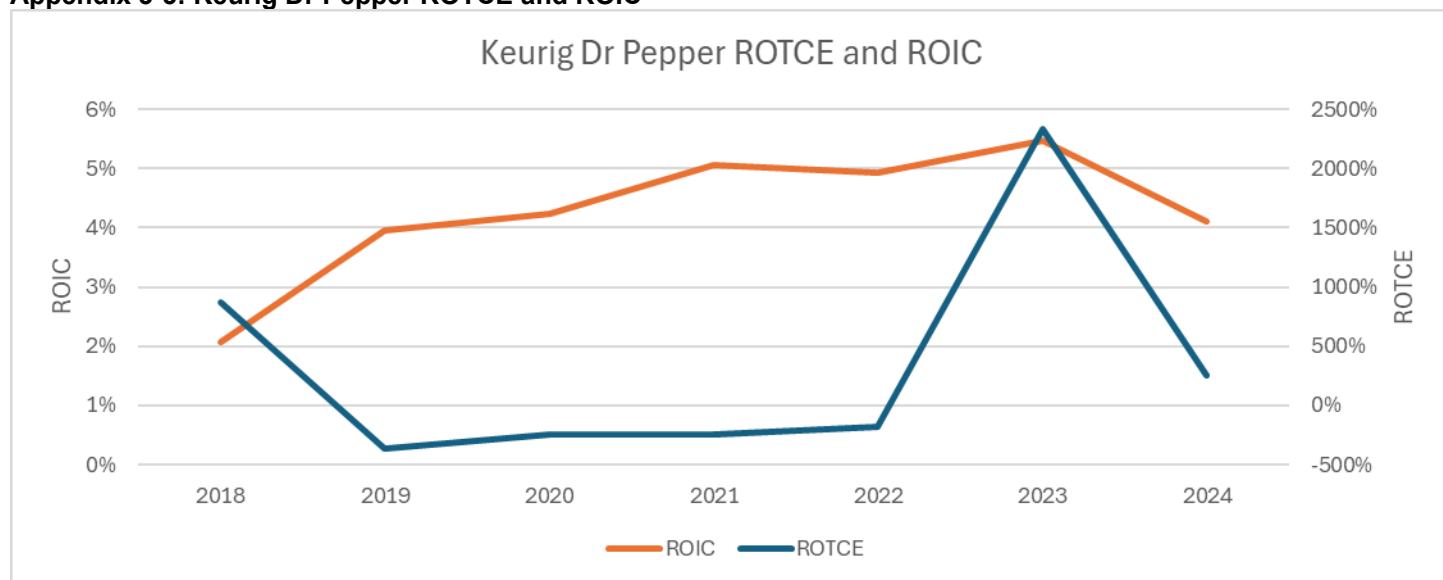
Appendix 3-2: Keurig Dr Pepper Profit Margin



³⁰⁷ Keurig Dr Pepper Annual Report 2018.

³⁰⁸ Keurig Dr Pepper Annual Report 2024.

Appendix 3-3: Keurig Dr Pepper ROTCE and ROIC



Notes:

1. Keurig Dr Pepper's ROTCE figures are not meaningful, as they fluctuate widely due to low or negative tangible capital employed, primarily resulting from negative net working capital, meaning the company's current liabilities exceed its current assets.
2. The company's average ROIC was around 4%.

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When comparing performance to an index, keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. An individual investor's results will vary. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market.

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