Universidade do Minho

Escola de Economia e Gestão e Ciência Política

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Equity Research Report of The Coca-Cola Company

April 2026

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Equity Research Report of The Coca-Cola Company

Master's Project
Master in Finance

Supervised by
Professor Sónia Silva

April 2026

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ACKNOWLEDGEMENTS

Completing this chapter represents the culmination of the past five years at the University of Minho, an institution that welcomed me with open arms and allowed me to grow both academically and personally.

First and foremost, I would like to express my sincere gratitude to Professor Sónia Silva for her availability, knowledge, and the motivation she has provided since the very first day.

To my parents, Maria and Filipe, and to my brother Fernando, thank you for your constant support and for encouraging me every day to become the best version of myself.

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To my grandfather Fernando, who left us during this journey, a special thank you for everything he taught me and for inspiring me to be better every day and to always pursue my dreams.

Finally, to the friendships built over these years and to my extended family, especially my grandmother Rosa, cousins, and uncles, my sincere thanks.

Eternally grateful.

RESUMO

O presente documento é um Equity Research Project, desenvolvido no âmbito do Projeto de Mestrado inserido no Mestrado em Finanças na Universidade do Minho, encontrando-se em conformidade com o CFA Institute. O objeto de análise é a The Coca-Cola Company, com o objetivo de estimar o seu valor intrínseco e através da comparação entre o valor justo e o preço das ações registado a 31 de Dezembro de 2025, emitir uma recomendação de investimento.

A avaliação baseia-se no método dos Fluxos de Caixa Descontados, com projeções financeiras para um período de sete anos, sendo posteriormente complementado pela avaliação relativa.

À data de referência, a empresa detinha uma cotação por ação de $69.91. Os métodos utilizados resultaram num valor de $80.08, presenciando-se uma valorização de 14.55% e uma recomendação de investimento de COMPRA.

Em conclusão, o Equity Research Project fornece informação relevantes sobre The Coca-Cola Company, enfatizando a sua estrutura asset-light, a sua rede de parceiros independentes e uma estratégia focada na diversificação do portfólio, apresentando a TCCC como uma oportunidade de investimento atrativa na indústria das bebidas não alcoólicas.

Palavras-Chaves: Avaliação de Empresa; Avaliação Relativa; Fluxos de Caixa Descontados; Preço-Alvo; The Coca-Cola Company

ABSTRACT

This document is an Equity Research Project, developed as part of the Master's thesis for the Master's in Finance program at the University of Minho, and is in compliance with CFA Institute standards. The subject of analysis is The Coca-Cola Company, with the objective of estimating its intrinsic value and, by comparing fair value with the stock price as of December 31, 2025, issuing an investment recommendation.

The valuation is based on the Discounted Cash Flow method, with financial projections for a seven-year period, and is subsequently supplemented by relative valuation.

As of the reference date, the Company's share price was $69.91. The methods used resulted in a value of $80.08, indicating a 14.55% premium and a BUY investment recommendation.

In conclusion, the Equity Research Project provides relevant information on TCCC, emphasizing its asset-light structure, its network of independent partners, and a strategy focused on portfolio diversification, presenting the Company as an attractive investment opportunity in the non-alcoholic beverage industry.

Keywords: Company Valuation; Relative Valuation; Discounted Cash Flows; Target Price; The Coca-Cola Company

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LIST OF ABREVIATURES

$ or USD – United States Dollar
BV· Book Value
CAGR – Compound Annual Growth Rate
CAPEX – Capital Expenditure
CAPM – Capital Asset Pricing Model
CEO – Chief Executive Officer
COGS– Cost of Goods Sold
CSD– Carbonated Soft Drinks
D&A– Depreciation and Amortization
D/E – Debt to Equity
DCF – Discounted Cash Flow
EBIT – Earnings Before Interest and Taxes
EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization
EPS – Earnings per share
ERP – Equity risk premium
ESG – Environmental, Social and Governance
EV – Enterprise Value
FCFF – Free Cash Flow to the Firm
FY – Fiscal Year
g– Growth Rate
GDP – Gross Domestic Product
IMF – International Monetary Fund
M&A – Mergers and Acquisitions
M – Million
NOPAT – Net Operating Profit After Tax
OECD– Organization for Economic Co·operation and Development
P/BV– Price to Book Value
P/E – Price to Earnings
PET– Polyethylene Terephthalate
PPE – Property, Plant and Equipment
PV – Present Value
ROA – Return on Assets
ROE – Return on Equity
ROIC – Return on Invested Capital
RTD– Ready to Drink
S&P – Standard and Poor's
STD– Standard Deviation
SWOT – Strengths, Weaknesses, Opportunities, Threats
TCCC– The Coca Cola Company
TV – Terminal Value
USA – United States of America
WACC – Weighted Average Cost of Capital

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Founded in 1886 and headquartered in Atlanta, The Coca-Cola Company is the world's largest non-alcoholic beverage company, with a portfolio of more than 200 brands spanning categories such as carbonated soft drinks, water, sports drinks, energy drinks, juices, and coffee.

Through its system of bottlers and distributors, the Company sells in more than 200 countries and regions worldwide, ensuring a presence in both emerging and mature markets. About two thirds of its revenue is generated outside the U.S., with significant presence in Latin America and the Asia-Pacific regions.

INVESTMENT SUMMARY

We issue a **BUY** recommendation for The Coca-Cola Company, hereafter referred to as 'the Company' or 'TCCC', with a target price of $80.08, representing an upside of 14.55% relative to the market price of $69.91 as of December 31, 2025, as represented in Table 1.

The recommendation reflects a high-quality defensive business profile, characterized by strong brand equity, global presence and consistent cash flow generation. While it has moderate capital growth, it is complemented by stable shareholder returns through dividends.

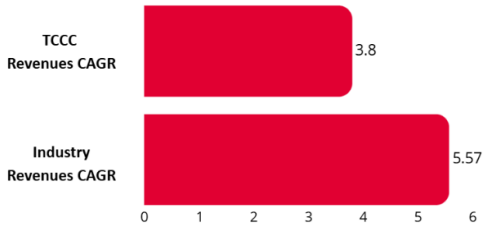
The valuation was performed using the Discounted Cash Flow (DCF) model which best captures TCCC's long-term value creation capacity. Relative Valuation was used as a complementary tool as a sanity check to validate the consistency of the results. For the DCF, a WACC of 6.72%

Table 1: *The Coca Cola Company Investment Recommendation*

Investment Recommendation:	BUY
Target Price (FY 2026)	**$80.08**
Upside (downside)	**14.55%**
Current Price (31/12/2025)	**$69.91**
Industry	Beverages Non Alcoholic
Sector	Consumer Staples
52 Week Price Range (USD)	65.35-82
Ticker(Refinitiv)	KO
Stock Exchange	NYSE
Shares Outstanding (million shares)	4,302
Market Cap. (M)	$300,753
Dividend Yield (%)	2.92%
EPS (2025)	$3.09
Free Float	90%

Source: Company's data; Author's estimates; LSEG WS

Figure 1: *Forecasted Sales CAGR % (2026-2031)*



Source: Author's estimates, Mordor Intelligence

was estimated, and a perpetual growth rate of 3.04% was assumed, in line with the long-term macroeconomic framework and the Company's mature profile.

According to forecasts and with Figure 1, the Company will deliver a revenue CAGR of 3.8% between 2026 and 2031, lower than the industry average, 5.57%. This difference reflects the mature market position and a strategy focused on value creation through price/mix rather than solely on volume driven expansion. The industry growth is partly driven by smaller players and emerging segments, which are not comparable in terms of scale, profitability or risk profile. TCCC's growth is consistent in its position as a large, stable and high margin business.

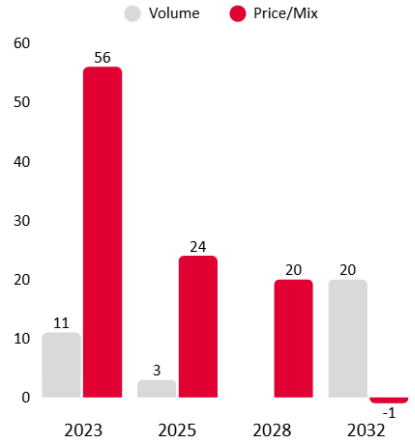
Importantly, the Company's ability to expand margins through pricing power, supported by strong brand equity and consumer loyalty, allows it to convert moderate revenue growth into robust and growing cash flows. This reinforces its role as a defensive investment with strong fundamentals and long-term value creation capacity.

KEY VALUE DRIVERS

Strong brand portfolio supports pricing power

TCCC owns a portfolio of globally recognized brands, including Coca-Cola, Sprite, and Fanta, benefiting from high brand loyalty and brand awareness. This position allows the Company to implement pricing and product mix strategies that offset inflationary pressures without significantly impacting demand for its products or eroding revenue and margins, as presented in Figure 2, where price/mix strategies represent the main driver of revenue driver.

Figure 2: *Revenue Growth Drivers Decomposition (Volume vs. Price/Mix)*



Source: Company's data; Author's estimates

Global distribution system creates competitive advantage

The Coca-Cola System enables deep penetration of distribution channels and a strong presence in retail and foodservice. Its global scale and long-term relationships with partners reinforce barriers to entry and sustain a competitive position that is difficult to replicate.

Scale advantages support profitability

The Company's size allows it to benefit from economies of scale in production, marketing, and distribution. Its efficient cost structure enables continuous investment in the differentiation of its product portfolio. As a result, the Company can operate with the highest returns on invested capital, sustaining long term value creation.

Share price performance

The evolution of TCCC's share price reflects its defensive profile, the resilient business model and the ability to generate cash flow over time. As shown in Figure 3, stock has a consistent trajectory with moderate volatility.

Figure 3: *TCCC's stock price evolution (April 23 to Jan 26)*



Source: LSEG WS

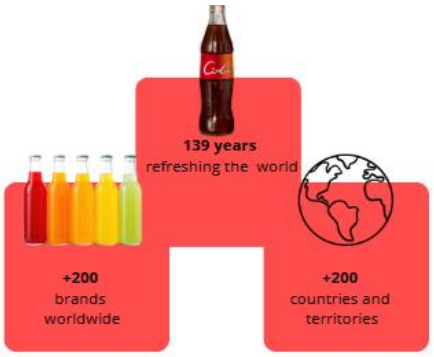
BUSINESS DESCRIPTION

The Coca-Cola Company has strong brand equity, the result of decades of continuous investment in marketing, innovation, and the development of its global distribution network. The Company's historical evolution and its key strategic milestones are presented in Appendix 1.

The Company holds a leading position in the global non-alcoholic beverage industry, particularly in the carbonated soft drink segment. In the United States, TCCC accounts for over 40% of the carbonated soft drinks market, driven by its international scale, brand recognition, and strong bargaining power (*Coca-Cola market share in the U.S. 2024 | Statista*, 2024). These factors translate into structural pricing power, resilient demand, and the ability to generate predictable cash flows.

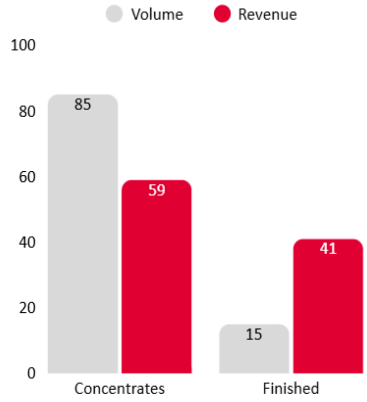
Present in more than 200 countries and territories, TCCC operates through its network of independent bottling partners, distributors, wholesalers, and retailers. Currently, it sells approximately 2.2 billion beverages per day, reflecting the scale and efficiency of its distribution system (Figure 4) (*February 20, 2026 - 10-K*, 2026).

Figure 4*: TCCC's global presence and brand portfolio*



Source: Company's data

Figure 5: *Revenue and Volume Contribution by Business Segment in 2025 (%)*



Source: Company's data

BUSINESS MODEL AND REVENUE DRIVERS

TCCC's business model centers on the Coca-Cola System, in which the company produces and sells concentrates and syrups to independent bottlers, who are responsible for packaging, marketing, and distributing the final products.

The Company operates in two business lines: the sale of concentrates and syrups, which have higher operating margins, and the sale of finished products. In 2025, concentrates accounted for 59% of net revenues, while finished products accounted for 41%, and were sold through the Bottling Investment Group (Figure 5).

In recent years, the refranchising process has reinforced the Company's asset-light nature, reduced capital requirements and increased operational efficiency and profitability. As described in Figure 6, operating income from the Bottling Investments Group declined over the period, reflecting the ongoing refranchising strategy and the shift toward a more asset-light business model.

Based on the Company's strong pricing power and brand equity discussed previously, the main revenue drivers stem from price/mix growth, volume growth in emerging markets, and portfolio expansion, particularly into non-carbonated beverages.

As shown in Figure 7, this model delivers high margins and stable profitability margins, supporting the asset-light business model and the Company's pricing power.

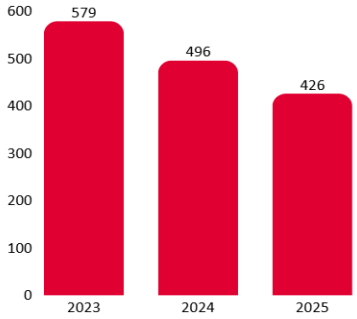
PRODUCTS AND BRANDS

The Coca-Cola Company portfolio includes more than 4,700 products and over 200 brands, organized into the following main segments, as presented in Figure 8, including Coca-Cola Trademark (Coca-Cola, Coca-Cola Zero Sugar), Sparkling Flavors (Sprite, Fanta), water, sports, coffee and tea (Powerade, Costa Coffee), juice, value-added dairy and plant-based beverages (Minute Maid), and emerging beverages, which include categories such as energy drinks, value-added dairy products, and ready-to-drink products, reflecting the Company's focus on constant innovation and evolving consumer preferences (see Appendix 2).

The diversity of the portfolio reduces dependence on a single segment and enhances the ability to respond to consumer trends, particularly the growing demand for healthier options, premiumization, and convenience. The Coca-Cola Company has been strengthening its diversification by expanding its portfolio through both internal innovation and strategic acquisitions (see Appendix 3).

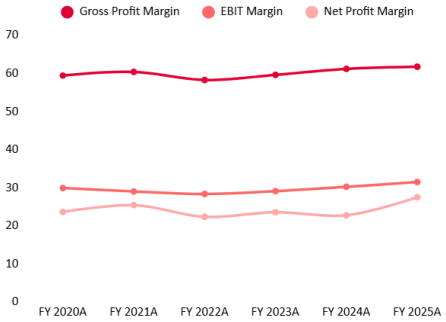
Despite the growth of non-carbonated categories, carbonated beverages remain the Company's core business, accounting for 69% of sales, as presented in Figure 9. Within this segment, the Coca-Cola Trademark

Figure 6: *Bottling Investments Group Operating Income (2023-2025)*



Source: Company's data

Figure 7: *Historical profitability margins*



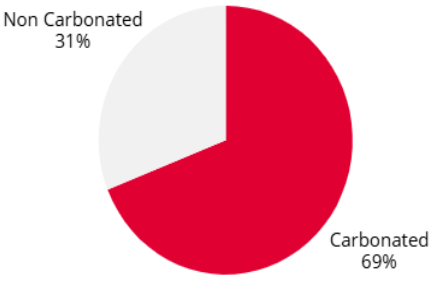
Source: Company's data

Figure 8: *Brands from TCCC portfolio*



Source: Company's data

Figure 9: *Product Mix by Category (2025)*



Source: Company's data

represents 47% of total revenues, being a central component of the segment.

This concentration highlights the brand's strength, although it poses a risk associated with changing consumer preferences toward healthier alternatives.

OPERATING STRUCTURE AND GEOGRAPHIC SEGMENTS

The Company balances global strategy with local execution, ensuring brand consistency and adaptation to the needs of each market.

Regional operational execution is ensured by the operating units, in coordination with global marketing and strategy teams, allowing the Company to benefit simultaneously from economies of scale and proximity to the consumer.

Operations are divided into four geographic segments: Europe, Middle East & Africa (EMEA), Latin America, North America, and Asia Pacific. Additionally, at the non-geographic level, it includes the Bottling Investments Group.

As shown in Figure 10, in 2025, North America remained the main market, accounting for 40.80% of the Company's net revenues, characterized by high maturity. This factor is offset by greater stability and higher margins. The EMEA and Latin America segments remain growth drivers, benefiting from rising disposable income and urbanization.

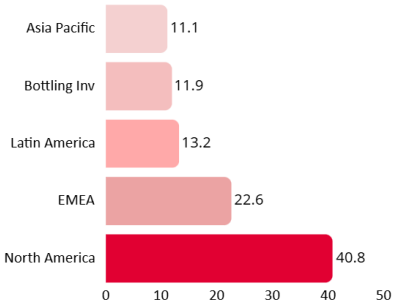
Geographic diversification reduces exposure to market-specific risks and provides stability in results. As shown in Figure 11, 84% of TCCC's unit case volume is generated outside the United States, highlighting the Company's strong global footprint and reduced dependence on a single market.

STRATEGIC OUTLOOK

As presented in Figure 12, TCCC's strategy is guided by its mission "to refresh the world and make a difference," which rests on three pillars: Loved Brands, Done Sustainably, and For a Better Shared Future. These focus on portfolio expansion, sustainability, and creating value for stakeholders.

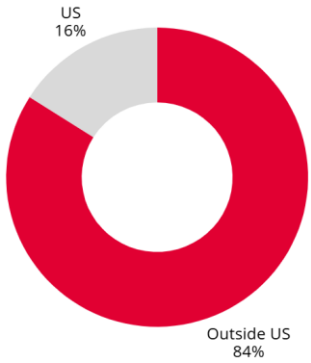
The Coca-Cola Company has been strengthening its premiumization and diversification strategy with a growing focus on sugar-free and non-carbonated beverages. Strategic acquisitions, such as Fairlife and Costa Coffee, reinforce their presence in different categories and the expansion of its portfolio. Despite its robustness, the execution of the strategy will depend on the Company's ability to adapt to changing preferences and new industry dynamics.

Figure 10: *Revenues by segment (2025) %*



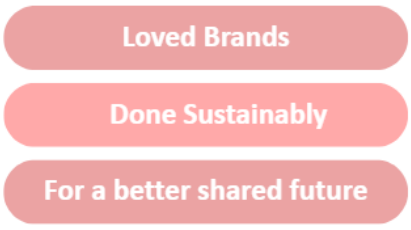
Source: Company's data

Figure 11: *Geographic Distribution of Unit Case Volume (2025)*



Source: Company's data

Figure 12: *TCCC's strategic pillars*



Source: Company's data

MAIN COSTS AND OPERATIONAL EFFICIENCY

TCCC's main costs are composed of cost of goods sold (COGS) and selling, general and administrative expenses (SG&A). COGS include raw materials such as sugar and corn syrup, as well as energy, distribution and manufacturing costs. SG&A are expenses driven by marketing and advertising expenses, administrative costs and other operating expenses that reflect the Company's strong focus on brand investment.

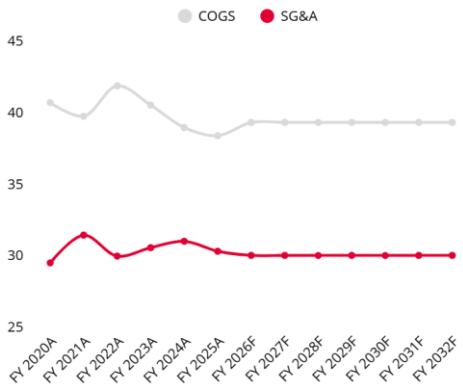
These costs are influenced by macroeconomic factors such as inflation, exchange rate fluctuations, weather conditions, and geopolitical instability.

Despite the volatility of these factors, the Company mitigates their impact through its global scale and strong bargaining power with suppliers, thereby consistently preserving margins.

As described in Figure 13, the cost structure remains relatively stable over time due to strong operational control and the ability to adapt to external pressures, resulting in the capacity to create value.

Operational efficiency and cost management are key to protecting margins and maintaining the Company's profitability. Thus, it achieves balance through new price/mix strategies, product innovation, and supply chain optimization, to create sustainable value for shareholders.

Figure 13: *Cost Structure as % of revenues*



Source: Company's data; Author's estimates

INDUSTRY AND MACROECONOMIC OUTLOOK

MACROECONOMIC CONTEXT

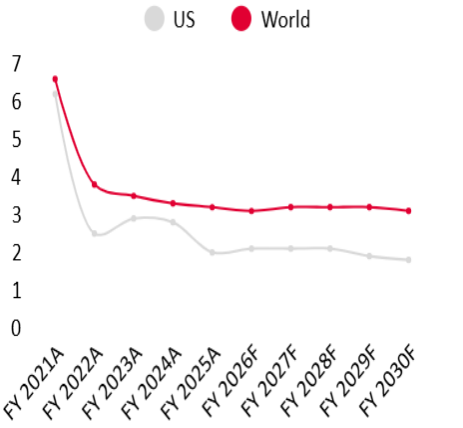
GDP environment

The non-alcoholic beverage industry operates within a macroeconomic context that, following high volatility in recent years, is gradually moving toward stability.

As presented in Figure 14, in 2021, the COVID-19 pandemic caused substantial contractions in global economic activity. In 2021, driven by the reopening of economies, global and U.S. GDP grew by 9.3% and 8.3%, respectively. In the following years, economic growth slowed due to rising interest rates and rising energy costs, exacerbated by the conflict between Ukraine and Russia.

According to the International Monetary Fund's (IMF) outlook, between 2025 and 2030, economic growth is expected to stabilize, with emerging economies showing greater dynamism compared to developed markets (*World Economic Outlook (October 2025) - Real GDP growth*, 2025).

Figure 14 *:Real GDP growth- Annual % change*



Source: International Monetary Fund

The non-alcoholic beverage sector exhibits relatively defensive characteristics, supported by stable demand due to the recurring nature of consumption. This contributes to the resilience of volumes during economic recessions, given the stability of demand. However, in mature markets, structural volume growth remains limited, typically standing at less than 1% per year, indicating that value creation increasingly depends on pricing power and portfolio optimization (*State of Food and Beverage: How CPG leaders can renew growth | McKinsey*, 2026).

Inflation environment

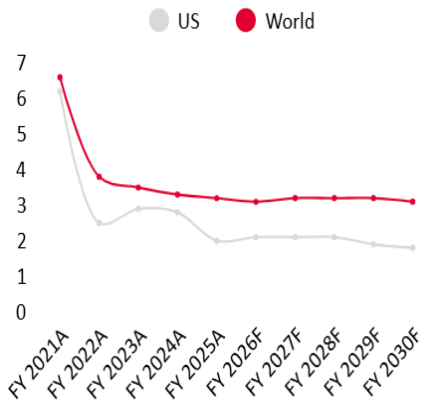
As shown in Figure 15, between 2021 and 2022, inflation rates rose substantially, reaching 6.72% in the U.S. and 5.4% globally. This increase resulted from supply chain disruptions, rising energy costs and strong post pandemic demand.

In response, central banks such as the Federal Reserve and the European Central Bank implemented tight monetary policies to help slow inflation between 2022 and 2024, increasing interest rates.

According to the IMF, the inflation rate is expected to stabilize at 2.2% in the U.S. and 3.2% globally in the coming years (*World Economic Outlook (October 2025) - Inflation rate, average consumer prices*, 2025). Although this represents a significant improvement from historical peaks, inflation remains slightly above central banks' target levels, especially at the global level, suggesting that monetary conditions may remain relatively tight.

Although inflation is slowing, it remains above target levels, and as a result, some cost pressures and volatility may persist. However, in a more stable inflationary environment, there is greater visibility regarding production and distribution costs, which contributes to more predictable consumption patterns and benefits companies that can maintain their operating margins.

Figure 15: *Inflation Rate- Annual % change*



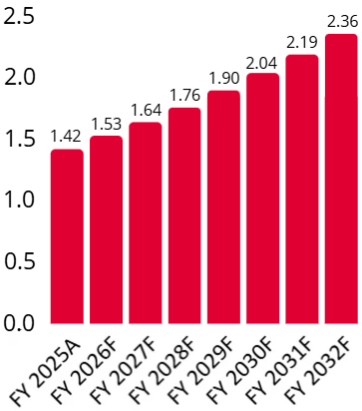
Source: International Monetary Fund

NON-ALCOHOLIC BEVERAGES INDUSTRY OVERVIEW

In 2025, the global non-alcoholic beverages market was valued at $1.42 billion and is projected to reach $2.36 billion by 2032, as shown in Figure 16 (Towards Food and Beverages, 2026).

The industry is divided into five main segments: water, soft drinks, energy and sports drinks, juices, and ready-to-drink coffee and tea. It is characterized by diversification and significant investments in marketing and continuous innovation.

Figure 16: *Global Non-Alcoholic Beverages Market Size and Growth Forecast*

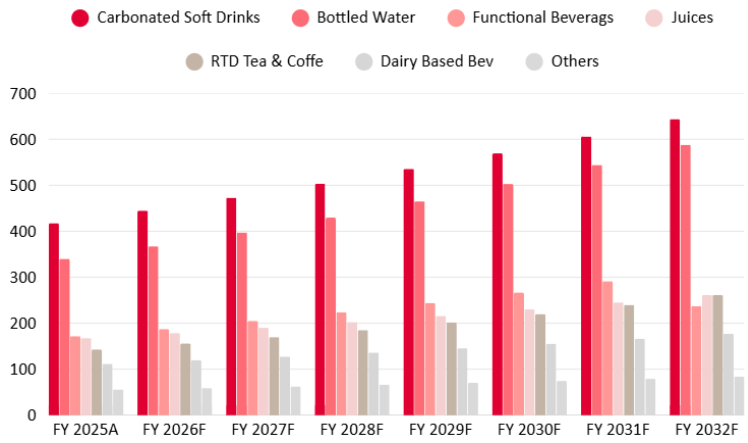


Source: Towards Food and Beverages, 2026

As shown in Figure 17, growth is projected across all segments, albeit at different rates. Water and carbonated beverages will continue to lead in terms of volume, while functional beverages and juices are showing greater dynamism, given the growing demand for healthier options.

These trends reinforce the importance of portfolio diversification and product innovation as essential drivers of industry growth.

Figure 17: *Non-Alcoholic Beverages Market Size by Product, 2025 to 2032 (USD Billion)*



Source: Towards Food and Beverages, 2026

MARKET STRUCTURE AND OPERATIONS

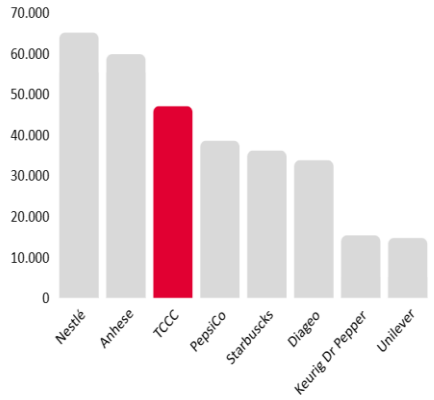
The industry is dominated by multinational companies with a global presence that benefit from economies of scale, brand recognition, and established relationships with distributors and retailers.

As shown in Figure 18, in 2024, Nestlé led the overall non-alcoholic beverage sector, followed by Anheuser-Busch, The Coca-Cola Company, and PepsiCo, reflecting the high concentration of companies.

While The Coca-Cola Company does not lead the overall non-alcoholic beverage market, its competitive strength lies in the carbonated soft drinks segment, where it holds a structurally dominant position. This is evidenced by its market share exceeding 40% in key regions such as the United States (Statista, 2025). This is consistent with the industry structure, in which large multinational players such as TCCC and PepsiCo dominate the carbonated soft drinks segment (Mordor Intelligence, 2025).

Geographically, the Asia-Pacific region dominated with 34% of the global market share, a result of economic growth and rising disposable income in emerging countries, as shown in Figure 19 (Towards Food and Beverages, 2026).

Figure 18: *Leading Beverage Companies Worldwide 2024, based on sales (Million USD)*



Source: Statista, 2024

In terms of volume, in 2024, the industry was led by bottled water, with 524 billion liters consumed, followed by carbonated soft drinks, with 253.5 billion liters (Statista, 2024). However, the latter make a greater contribution in terms of value, due to greater product differentiation and marketing strategies.

INDUSTRY TRENDS AND GROWTH DRIVERS

The non-alcoholic beverage industry has experienced consistent growth and is expected to continue expanding in the coming years, driven by structural trends that are transforming the sector and corporate strategies.

Changing Consumer Preferences

Growing concern for health and well-being is driving demand for natural, functional, and low-calorie beverages. Functional and fermented beverages, particularly kombucha, have grown because of increased demand for beverages with added health benefits. According to Figure 20, functional beverages are expected to grow at a CAGR of 7.49% between 2024 and 2029, driven by demand for more natural formulas with health benefits (*Functional Beverages Market Size, Share & Industry Report, 2031*, 2026).

According to EY, health and wellness have become a fundamental market requirement. About 58% of U.S. consumers pay attention to the ingredients in their beverages, and 66% have actively switched to options with lower sugar or calorie content (EY, 2026).

Innovation and Personalization

Technological innovation enables the development of new products and the personalization of the consumer experience. Digital platforms and kiosks allow companies to tailor flavors, ingredients, and features to consumer preferences.

This trend strengthens competitive differentiation and accelerates new product development.

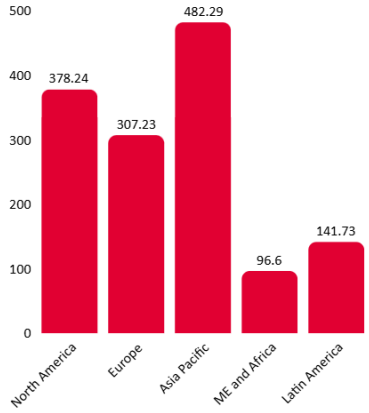
Growth of fitness culture and sports participation

The rise in sports participation is driving demand for nutritious beverages containing plant-based proteins and energy-boosting ingredients.

Beverages, previously associated with professional athletes, are now part of daily consumption, increasing their market penetration.

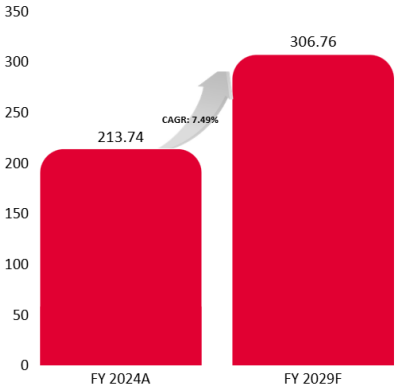
According to EY, this trend is particularly strong among younger consumers, with about 80% of Gen Z and 75% of Millennials consuming functional beverages on a regular basis (EY, 2026).

Figure 19: *Non- Alcoholic Beverages Market Size by Region, 2025*



Source: Towards Food and Beverages, 2026

Figure 20: *Functional beverage market size (USD Billion)*



Source: Mordor Intelligence, 2026

Sustainability and regulation

Companies are increasingly investing in recyclable packaging using biodegradable materials and reducing plastic use, reinforcing the sustainable positioning of brands.

Digitalization and Social Influence

The development of e-commerce channels and social media has changed the way companies interact with consumers. Digital marketing and influencers have become key drivers of brand recognition and purchasing decisions.

This trend fosters closer consumer engagement and strengthens.

INDUSTRY RISKS

Despite growth prospects, the industry faces several risks that could affect company performance.

Macroeconomic and geopolitical instability, coupled with inflation and rising energy and raw material costs, such as PET and sweeteners, may reduce purchasing power and consequently put pressure on margins. The ability to mitigate these effects depends on strong brand equity and pricing power.

Exchange rate fluctuations and supply chain disruptions are also significant risks, especially during periods of economic adjustment associated with efforts to control inflation. Rising interest rates and tighter financial conditions can lead to currency volatility and increase financing and transportation costs, thereby affecting global trade flows and supply chain efficiency.

Additionally, the sector faces growing regulatory pressures, such as sugar taxes, restrictions on plastic use, and requirements for nutritional transparency in products. These measures require product reformulation and increase operational costs.

The scarcity of natural resources, such as water, is a significant operational risk, particularly in regions with water restrictions.

Finally, while digitalization represents a strategic opportunity, it introduces challenges related to technological security and data management, requiring ongoing investment.

COMPETITIVE LANDSCAPE

The non-alcoholic beverage sector is characterized by intense competition, driven by the presence of large multinational companies, high marketing intensity, and the growing convergence among product categories.

As summarized in Figure 21 and detailed in Appendix 4, the Porter's Five Forces analysis reveals a highly competitive environment, with strong rivalry among existing operators and a high threat of substitutes, driven by shifting consumer preferences toward healthier alternatives.

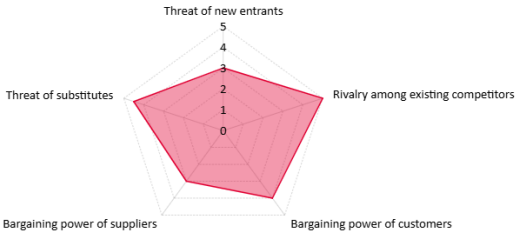
Barriers to entry remain significant due to economies of scale, brand value, and regulatory requirements, limiting the threat from new entrants. Supplier power is moderate, given exposure to raw material costs, while customer bargaining power is medium to high, reflecting the concentration of distribution channels and growing price sensitivity.

Overall, the industry structure puts pressure on margins and reinforces the need for continuous innovation, a strong brand, and portfolio diversification.

The non-alcoholic beverage industry is characterized by intense competition, driven by the presence of multinational companies with global reach, high marketing expenditures, and the growing convergence among product categories.

Companies are adjusting their portfolios and business strategies to keep pace with evolving consumer preferences. They have sought to balance affordability through smaller formats and innovate with a more value-added and diversified positioning.

Figure 21: *Porter's Five Forces Analysis*



Source: Author

SWOT Analysis

In the specific context of TCCC, the SWOT analysis highlights a solid competitive position, supported by its global presence, network of bottlers and distribution channels, economies of scale, and consumer loyalty, as shown in Figure 22.

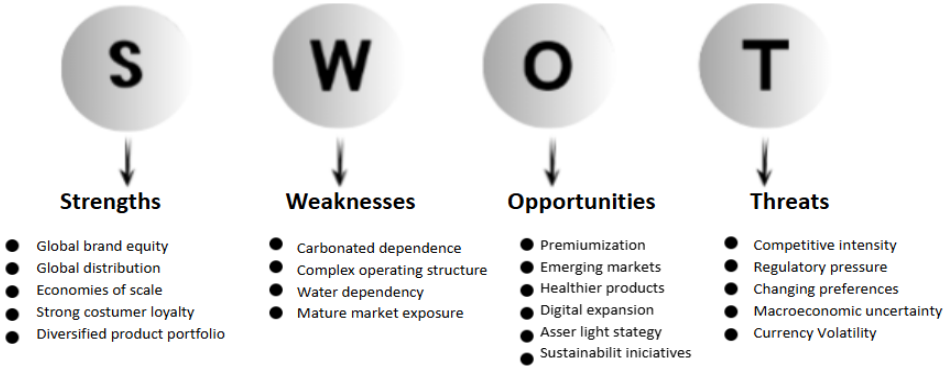
However, the Company faces vulnerabilities related to its reliance on carbonated beverages (69% of net revenues) and increasing regulatory pressure.

Key opportunities include innovation, premiumization, expansion into emerging markets, and digitalization, supported by an asset-light model and refranchising initiatives.

On the other hand, threats related to intensifying competition, shifting consumer preferences, and macroeconomic risks persist.

A more detailed analysis of the SWOT analysis can be found in Appendix 5.

Figure 22: *SWOT Analysis*



Source: Author

ENVIRONMENTAL, SOCIAL & GOVERNANCE

ESG factors play a crucial role in the assessment of The Coca-Cola Company, given its global presence, depends on natural resources, and exposure to regulatory and reputational risks. These dimensions are essential for evaluating operational resilience and long-term value creation.

PILLAR E: ENVIRONMENTAL

TCCC's environmental strategy focuses primarily on water management, the circular economy, and decarbonization.

As Table 2 describes, the Company outperforms the industry in Resource Use (96 vs 49) and Environmental Innovation (92 vs 8), highlighting its leadership in operational efficiency and sustainable innovation.

Table 2: *TCCC Environmental ESG Performance vs Industry Median*

Environmental	TCCC	Industry Mean
Environment Pillar Score	72	49
Resource Use Score	96	49
Emissions	39	50
Environment Innovation Score	92	8

Source: LSEG WS

Water Management

TCCC has strengthened its water replenishment and safety initiatives, particularly in high-risk areas. By 2024, the system achieved a water replenishment rate of 163% of the water used in its final beverages and improved its water efficiency by 10% compared to 2015. The Company is committed to achieving full water replenishment security in water-stressed areas by 2035, mitigating a key operational risk (The Coca-Cola Company, 2025).

Sustainability in Packaging

To mitigate regulatory risks and consumer pressure, 99% of its packaging is recyclable, with 28% of its portfolio incorporating recycled material and 65% of the cans and bottles placed on the market being collected for reuse or recycling. The goal is to achieve a collection rate between 70% and 75% by 2035, reinforcing its circular economic strategy and maintaining its social license to operate (The Coca-Cola Company, 2025).

Decarbonization

The Company has committed to reducing its greenhouse gas in line with a 1.5°C trajectory by 2035, as defined in The Paris Agreement which aims to limit global warming to well below 2°C, while targeting carbon neutrality across its entire value chain by 2040 (*The Paris Agreement | UNFCCC*, 2015).

In 2024, 28% of the energy used came from renewable energy sources. However, this segment remains the Company's main challenge, with a score of 39 compared to the sector's 50, as shown in Table 2, reflecting the high complexity of the energy transition.

Environmental Controversies and Challenges

Despite these initiatives, the Company faces criticism regarding its plastic footprint and the implementation of its "World Without Waste" program. Environmental organizations strongly criticized TCCC after it announced in December 2024 that it was abandoning its goal of selling 25% of its beverages in reusable packaging by 2030 (which stood at just 10.2% in 2023). Recent projections by the NGO Oceana in 2025 indicate that, without a transition to reusable packaging, the Company's plastic use could exceed 4.1 million metric tons per year by 2030, an increase of nearly 40% from 2018 levels. These developments highlight a growing exposure to reputational risks that could affect the brand's value in the long term.

PILLAR S: SOCIAL

As shown in Table 3, the Company outperforms the industry across key social metrics.

In the social pillar, TCCC focuses on human capital management, community engagement and the protection of the brand value, scoring higher than the industry on the Workforce Score (95 vs. 51) and the Human Rights Score (89 vs. 43).

Table 3: *TCCC Social ESG Performance vs Industry Median*

Social	TCCC	Industry Median
Social Pillar Score	88	45
Workforce Score	95	51
Human Rights Score	89	43
Community Score	88	50

Source: LSEG WS

Community Engagement

The Coca-Cola Foundation has distributed over $1.6 billion since its inception, supporting initiatives related to access to clean water, education, the circular economy, and climate resilience. These initiatives ensure social legitimacy and a social license to operate in emerging and vulnerable markets. This connection is reflected in the Community Score of 88 (vs. 50 for the industry)(*The Coca-Cola Foundation*, 2026).

Human Capital and Diversity

The Company views diversity as a competitive advantage and aims to have 50% of women in leadership positions by 2030. Strong internal policies contribute to talent retention and enhance corporate performance (The Coca-Cola Company, 2024).

Health and Reputation Risk Mitigation

The Coca-Cola Company faces criticism regarding sugar use and obesity. In response, TCCC sponsors major sporting events to promote a healthier lifestyle and accelerate the transition to lower-calorie products, aligning the brand with new consumer demands (The Coca-Cola Company, 2025)

Despite these efforts, regulatory and reputational risks linked to public health concerns remain a key long-term challenge.

PILLAR G: GOVERNANCE

In terms of governance, TCCC stands out for its robust governance framework centered on transparency, ethics, and alignment with shareholder interests. The Governance Pillar Score of 75 is above the industry median of 49, as shown in Table 4.

Table 4: *TCCC Governance ESG Performance vs Industry Median*

Governance	TCCC	Industry Median
Governance Pillar Score	75	49
Management Score	77	52
Shareholders Score	53	51

Source: LSEG WS

Board Structure and Independence

The Board of Directors consists of 12 members, 10 of whom are classified as independent under NYSE rules. This ensures impartial oversight focused on shareholder interests (see Appendix 6). The diversity of expertise across finance, technology and marketing enables the board's ability to manage complex global risks.

As shown in Table 5, the Board is supported by specialized committees, including the Audit, Corporate Governance and Sustainability, Finance, and Talent and Compensation committees, each of which is responsible for key oversight functions, such as capital allocation and executive compensation.

Table 5: *Board committees and key responsibilities*

Committe	Key Responsabilities
Audit	Financial reporting, intern controls and cybersecurity
Corporate Governance and Sustainability	Board structure, ESG oversight and pubic policy
Finance	Capital structure, investments, headging and M&A
Talent and Compensation	Compensation policies, incentives and leadership

Source: Company's data

Executive Compensation and Alignment

To ensure strict alignment with shareholder interests, TCCC executive compensation is weighed based on performance

indicators. Approximately 94% of the CEO's total direct compensation and an average of 89% for other Named Executive Officers is performance-based and exposed to risk, as shown in Figure 23. The structure relies heavily on Performance Share Units (PSUs). In addition, executive targets continue to track non-financial metrics directly linked to the Company's sustainability goals regarding water and packaging, creating a clear line of sight between leadership compensation and operational resilience.

Shareholders structure

According to Table 6, Berkshire Hathaway is the largest individual shareholder in The Coca-Cola Company, with a 9.29% stake, closely followed by index funding giants such as Vanguard, with 8.71%, and BlackRock, with 7.40%. (Yahoo Finance, 2026.) This concentration of institutional capital highlights strong confidence in the stability of the company's cash flow and the reliability of its dividends.

ESG and Valuation Implications

The factors described above have mixed implications for TCCC.

On the one hand, requirements regarding emissions and packaging collection will require additional capital investment, which could affect operating costs and compress margins in the medium term.

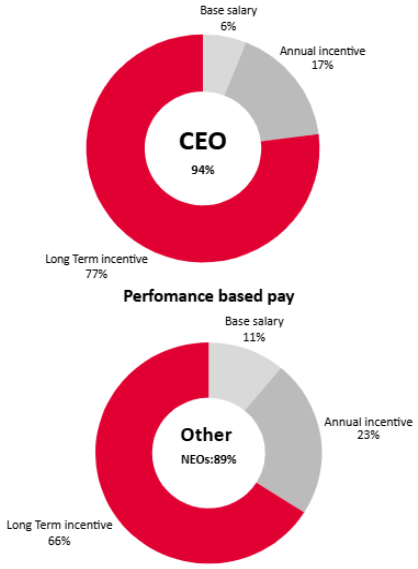
On the other hand, strong ESG performance reinforces brand equity, pricing power, and stakeholder trust, contributing to more stable cash flows and reduced downside risk.

Overall, ESG acts as a long-term value driver, supporting resilience and sustaining TCCC's competitive positioning in a changing regulatory and consumer landscape.

FINANCIAL ANALYSIS

This section presents an analysis of The Coca-Cola Company's financial performance over the historical period and its projected evolution over the forecast horizon. The analysis focuses on key financial metrics, including revenue growth, profitability, solvency, liquidity, and operational efficiency, in order to assess the company's financial strength. The analysis is supported by historical and projected financial statements, as detailed in Appendices 7 through 12. The detailed values of the financial ratios and their respective calculation methodologies are presented in Appendix 13.

Figure 23: *Executive Compensation Structure*



Source: Company's data

Table 6: *Major institutional shareholders of TCCC*

Institution	Shares Held	% Ownership
Berkshire Hathaway, Inc	400M	9.29%
Vanguard Group Inc	374.77M	8.71%
Blackrock Inc.	318.68M	7.40%
State Street Corporation	167.85M	3.90%
FMR, LLC	109.97M	2.56%

Source: Company's data and Yahoo Finance

REVENUES GROWTH

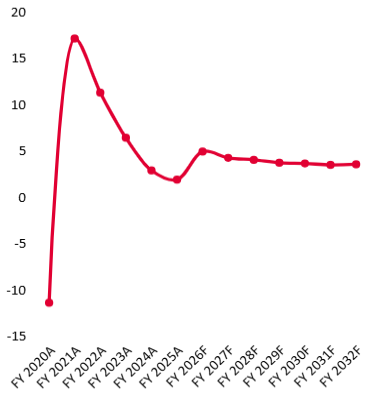
As shown in Figure 24, TCCC's revenue growth slowed over the historical period from 11.25% in 2022 to 1.87% in 2025, following a post-pandemic normalization and adjustments to pricing policy in response to inflation, with the aim of achieving a more stable macroeconomic environment.

During the forecast period, from 2026 to 2032, revenue growth is expected to stabilize and converge from 4.9% to 3.52%, given the Company's maturity and diversity. In this context, volume expansion is structurally limited, and growth is driven primarily by pricing strategies and product mix.

Compared to its main competitors, the Company exhibits a more stable growth profile, albeit a more moderate one given its maturity in the industry. While Monster Beverage continues to post higher growth, with revenues increasing by 13.10% in 2023 and 10.70% in 2025, due to its presence in fast-growing categories, TCCC offers greater stability. In contrast, PepsiCo has seen more limited growth in recent years, with revenue growth of 5.88% in 2023 and 2.25% in 2025, due to challenges primarily in the snacks segment, where demand tends to be more sensitive to changes in consumer spending.

A detailed breakdown of TCCC's projected revenue, segmentation by geography, is provided Appendix 14.

Figure 24: *Revenues Growth (%)*



Source: Company's data; Author's estimates

MARGINS

As Figure 25 shows, the Company maintains structurally high and stable margins, supported by its pricing power and asset-light model.

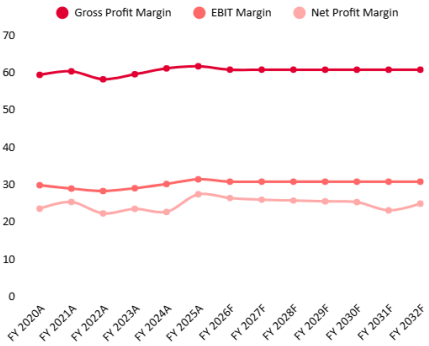
After a temporary decline in 2022, profitability increases significantly, with a gross margin reaching 61.60% in 2025, with EBIT margin 31.34%.

Over the forecast period, stability is assumed to be at 60.70% and 30.70%, respectively, based on a conservative approach with no expectation of additional efficiency gains.

Net profit margin remains robust, fluctuating between 22% and 27% over the historical period. In the projected period, it gradually converges to 24.81%, reflecting the normalization of non-operating items and the tax burden, while maintaining a stable operating performance.

Compared to its main competitors, the Company reports higher margins across all three metrics analyzed, particularly standing out in terms of EBIT margin. Although

Figure 25: *Profitability Margins (%)*



Source: Company's data; Author's estimates

Monster Beverage also reports relatively high profitability levels compared to the others, with EBIT margin of 29.20% in 2025, its performance is linked to a more concentrated portfolio. On the other hand, PepsiCo and Keurig Dr Pepper report lower margins, with EBIT margins of 12.24% and 21.53%, respectively, reflecting more diversified business models and, consequently, greater operational complexity.

Overall, the margin profile is consistent with historical trends and highlights the Company's ability to sustain profitability through pricing discipline and operational efficiency.

PROFITABILITY

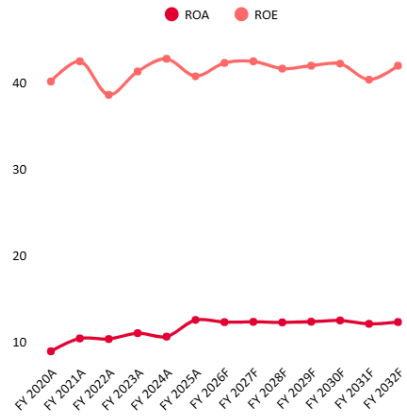
As shown in Figure 26, The Coca-Cola Company's returns remained high and relatively stable throughout the entire period. The Company reports ROE levels between 38.60% and 42.80% reflecting strong profitability and efficient capital allocation.

Compared to its main competitors, TCCC outperforms Keurig Dr Pepper, which reported ROE's values between 5.94% and 8.49% over the last three years, while PepsiCo presents similar high returns levels, although more volatile.

Related to ROA, in the last three years, the Company maintains stable levels, ranging from 11% and 12% during the remaining years, indicating efficient utilization of the Company's asset base. While Monster Beverage has higher ROA levels, between 16% and 19% as a reflection of a more asset-light and less capital business model. In contrast, PepsiCo and Keurig Dr Pepper report lower ROA levels, highlighting relatively lower asset efficiency.

Importantly, return on invested capital remains consistently above the Company's cost of capital, demonstrating sustained value creation over time. This relationship confirms that the Company continues to generate economic profits and deploy capital efficiently, even within a mature growth environment.

Figure 26: *Returns (%)*



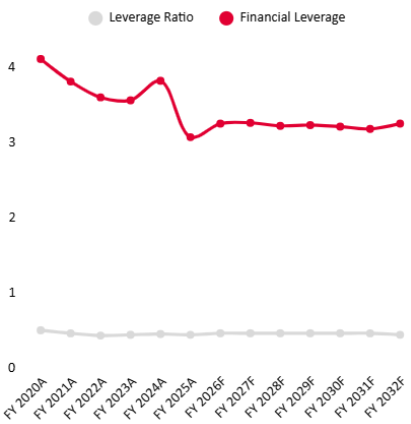
Source: Company's data; Author's estimates

SOLVENCY

As shown in Figure 27, TCCC is undergoing a transition toward a more stable capital structure, following some volatility in the historical period, supported by consistent cash flow generation.

The leverage ratio, calculated as total debt over total assets, decreases from 0.49 in 2020 to 0.43 in 2032, reflecting a gradual reduction in financial leverage.

Figure 27: *Leverage Ratios*

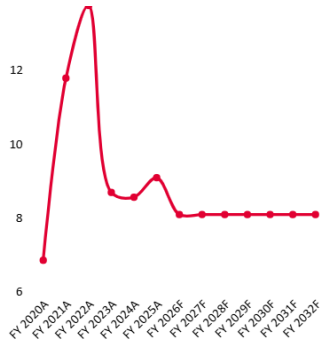


Source: Company's data; Author's estimates

Financial leverage, measured as total assets over total equity, is expected to gradually decrease over the forecast period due to the increase in equity, sustaining an efficient financing structure without significantly increasing financial risk.

The interest coverage ratio is expected to stabilize at around 8.1x over the projected period, as shown in Figure 28, highlighting the Company's strong ability to meet its financial obligations, even under conservative assumptions.

Figure 28: *TCCC's Interest Coverage Ratio*



Source: Company's data; Author's estimates

LIQUIDITY

Liquidity ratios shown in Figure 29 have a slight decline over the projected period, with the current ratio falling from 1.32 in 2020 to 0.97 in 2032.

This trend indicates an optimization of liquidity given the predictability of future cash flow and TCCC's strong bargaining power with suppliers.

Despite the decline, liquidity levels remain adequate and do not pose an operational risk. TCCC's consistent ability to generate cash flows ensures that short-term obligations can be met without difficulty, reinforcing the Company's financial resilience.

Figure 29: *TCCC's Liquidity Ratios*



Source: Company's data; Author's estimates

OPERATING EFFICIENCY

The Coca-Cola Company demonstrates strong operational efficiency, particularly in the management of working capital components, as presented in Figure 30.

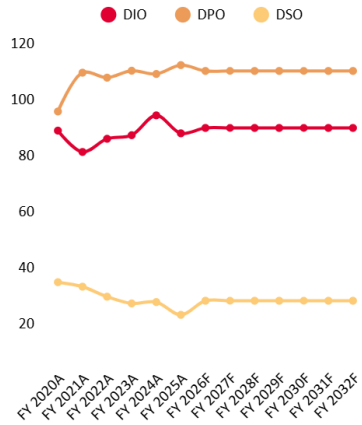
Over the historical period, days sales outstanding (DSO) have trended downward, reflecting improvements in collection efficiency and stricter credit management. However, in the forecast period, this indicator stabilizes at around 28 days, based on historical averages and a conservative modeling approach.

Inventory days (DIO) remain broadly stable over both the historical and projected periods, at approximately 90 days, indicating consistent inventory management aligned with the Company's operational needs and demand patterns.

In contrast, days to pay accounts payable (DPO) remain high and relatively stable at 110 days, highlighting TCCC's strong bargaining power with suppliers and its ability to optimize its payment terms.

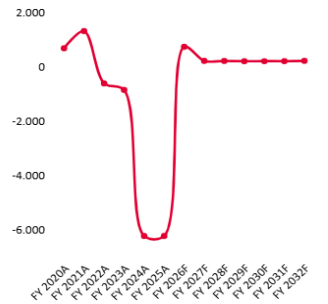
This trend is reflected in the Company's operating working capital, which is significantly negative between 2022 and 2025, reaching -6.2 billion dollars, as shown in Figure 31.

Figure 30: *Working Capital Metrics (Days)*



Source: Company's data; Author's estimates

Figure 31: *Operating Working Capital (USD million)*



Source: Company's data; Author's estimates

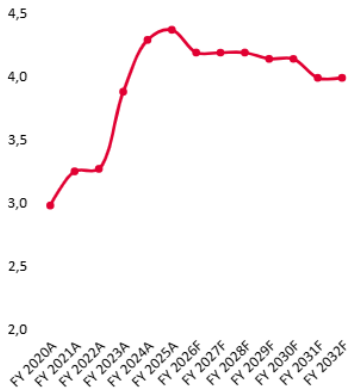
Starting in 2026, working capital is expected to stabilize at positive levels, reflecting a conservative assumption that does not extrapolate the unusually favorable working capital dynamics observed in recent years. Furthermore, the Company's expansion into new product categories may involve different supplier structures and commercial dynamics, which could limit the recurrence of historically strong working capital conditions.

Overall, these dynamics reflect a well-managed operating cycle, supported by stable working capital assumptions and consistent capital allocation, which contribute to the Company's strong cash flow generation and operational resilience.

CAPITAL EXPENDITURES

Capital expenditures have risen gradually over the historical period, increasing from 2.99% of sales in 2020 to a peak of approximately 4.38% in 2025, as presented in Figure 32. This trend reflects post-pandemic normalization and increased investment to support operational stability and portfolio development.

Figure 32: *Capital Expenditures (% of Sales)*



Source: Company's data; Author's estimates

During the forecast period, capital expenditure is expected to stabilize at approximately 4.0% of sales, due to a disciplined and mature investment strategy consistent with the Company's asset-light business model.

This level of investment supports continued growth and innovation while maintaining low capital intensity, reinforcing TCCC's ability to generate strong and predictable free cash flows over time.

Conclusion of Financial Analysis

The financial analysis reflects the operational strength of a mature company, with sustainable revenue growth, high margins, and highly predictable results. The stability of returns and the capital structure reflect conservative assumptions, supported by TCCC's competitive position. Although liquidity ratios show a slight decline over time, this reflects operational efficiency rather than financial weakness. The combination of strong profitability, efficient capital allocation, and a resilient business model reinforce TCCC's positioning as a low-risk, dividend-oriented investment with sustained long-term value creation potential.

VALUATION

DISCOUNTED CASH FLOW

The Coca-Cola Company is valued using the Discounted Cash Flow (DCF) method, which is then supplemented by a relative valuation as a sanity check to validate the robustness of the results.

The primary method is DCF, as it incorporates long-term growth prospects, operating profitability, and capital efficiency.

Table 7: *WACC components*

Component	Rate	Methodology
Equity Risk Premium	6.17%	Revenue weighted average of regional equity risk premium (from Damodaran's data)
Beta	0.48	Levered beta estimated using a bottom-up approach based on comparable companies and adjusted for Coca-Cola capital structure
Risk Free Rate	4.18%	10-year government bond rate of United States (from Investing.com on December 9th, 2025)
Cost of Equity	7.16%	Derived using CAPM
Pre-tax cost of debt	4.58%	Estimated based on company's credit spread over the risk-free rate, consistent with AAA credit rating (Damodaran, 2026)
Tax Rate	25.80%	Marginal corporate tax rate based on US (from Damodaran's data)
After tax cost of debt	3.40%	
WACC	6.72%	Estimated as the weighted average of the cost of equity and the after-tax cost of debt using market value capital structure

Source: LSEG WS, Damodaran's website, Author's estimates

WACC- WEIGHTED AVERAGE COST OF CAPITAL

Table 7 shows the components of the WACC, including both their values and the methodology used. Table 8 describes the calculations performed to obtain the results presented. More details in Appendix 15.

The estimated WACC of 6.72% reflects TCCC's operational and financial risk profile and is subsequently used as the discount rate in the DCF valuation model.

The **cost of equity,** at 7.16%, was estimated using the Capital Asset Pricing Model (CAPM). The risk-free rate of 4.18% corresponds to the yield on the U.S. 10-Year Treasury Bond, reflecting TCCC's U.S. nature and its primary geographic exposure. The leveraged beta of 0.48 was calculated using a bottom-up approach, based on the betas of comparable companies, and adjusted for Coca-Cola's capital structure. This figure reflects the Company's defensive profile, characterized by stability and lower sensitivity to the economic cycle. The **equity risk premium** of 6.17% was obtained by the weighted average of revenues from the geographic regions, according to Damodaran data, as shown in Table 9.

The **cost of debt** was estimated at 4.58%, calculated by adding the risk-free rate and a default spread of 0.40%, based on Damodaran's data for a company with an Aaa/AAA credit rating (Table 10). After accounting for the tax effect, the cost of debt decreases to 3.40%, reflecting the tax benefit associated with debt financing.

Table 8: *WACC computation*

WACC	6.72%
Cost of Debt	4.58%
Marginal Tax Rate	25.83%
Risk-free Rate(10-year government bond)	4.18%
Default Spread	0.40%
Cost of Equity (CAPM)	7.16%
Risk-free Rate(10-year government bond)	4.18%
Levered Beta	0.48
D/E ratio	13%
Unlevered Beta (comparabel firms)	0.44
Equity Risk Premium	6.17%
Capital Structure	
Equity Weight	88.50%
Debt Weight	11.50%

Source: LSEG WS, Damodaran's website, Author's estimates, company's data

Table 9: *Equity Risk Premium by Region*

		Equity Risk premium, ERP		
Region	Revenues (€)	(% of Sales)	ERP	Weighted ERP
EMEA	8,122	20.95%	8.31%	1.74%
North Ame	18,649	48.09%	4.33%	2.08%
Latin Amer	6,459	16.66%	9.15%	1.52%
Asia Pacific	5,546	14.30%	5.72%	0.82%
Total	38,776	1		6.17%

Source: Damodaran's website

Table 10: *Credit Rating and its spread for non-financial firms*

Spread	Rate	Spread	Rate
19%	D2/D	1.38%	Ba1/BB+
16%	C2/C	1.11%	Baa2/BBB
12.61%	Ca2/CC	0.89%	A3/A-
8.85%	Caa/CCC	0.78%	A2/A
5.09%	B3/B-	0.70%	A1/A
3.21%	B2/B	0.55%	Aa2/AA
2.75%	B1/B+	0.40%	Aaa/AAA
1.84%	Ba2/BB		

Source: Company's data; Damodaran's website

The **capital structure** was estimated based on market values and consists of 88.5% equity and 11.5% debt. As shown in Table 11, the market value of equity was calculated by multiplying the share price on reference date by the number of outstanding shares, resulting in a value of $300,753 million. The market value of debt was estimated by taking into account the book value of debt, the cost of debt, and the average maturity, totaling $39,207 million. Based on these figures, the relative weights of equity and debt were calculated for use in the WACC calculation.

This structure reflects a conservative financial policy that is consistent with the Company's high credit quality and its ability to generate consistent cash flows.

Table 11: *Capital Structure computation*

Market Value of Equity	
Share Price (31/12/25)	$69.91
Nº of Shares Outstanding (K)	4,302
Market Value of Equity	**300,753**

Market Value of Debt ($M)	
Book value of debt	44,522
Interest Expense	1,075
Cost Of Debt	4.58%
Maturity (Average in years)	6.49
Market Value of Debt	**39,207**

Weighted Cost of Equity	88.5%
Weighted cost of debt	11.5%

Source: Company's data; Author's estimates

Beta was estimated using a bottom-up approach, considering a peer group of comparable companies in the beverage sector and adjacent consumer staples segments, as presented in Table 12. The group includes companies such as PepsiCo, Keurig Dr Pepper, Monster Beverage, Unilever, Nestlé, and Heineken. This set of companies allows us to capture not only operational risk but also risks related to global scale, brand strength, and consumer exposure. Initially, the companies' leveraged betas were deleveraged using their capital structure and marginal tax rate to obtain an unlevered beta of 0.44. Subsequently, this beta was adjusted to TCCC's capital structure, resulting in a value of 0.48. This value demonstrates the Company's defensive profile, with stable cash flows and strong brand equity, which translates into lower sensitivity to economic cycles.

Table 12: *Peer group betas*

Company	Levered Beta	Unlevered Beta
PepsiCo Inc	0.43	0.36
Keurig Dr Pepper Inc	0.37	0.28
Heineken NV	0.52	0.41
Unilever PLC	0.49	0.42
Danone SA	0.42	0.36
Nestle SA	0.97	0.79
Monster Beverage Corp	0.48	0.47
Average		**0.44**

Source: LSEG WS; Author's estimates

DCF ASSUMPTIONS

Revenues forecast

Revenue projections were developed using a bottom-up approach by geographic segment, breaking down growth into volume and price/mix to reflect the economic and structural dynamics of each market.

Consistent with the financial analysis, revenue growth is expected to gradually converge from 4.9% in 2026 to 3.52% in 2032, reflecting the Company's maturity and global diversification.

Volume growth is driven primarily by emerging markets, particularly Latin America and Asia Pacific, fueled by rising disposable income and urbanization. However, in mature markets such as North America, volume growth is limited and offset by price/mix strategies.

Price/mix reveals the Coca-Cola Company's strong pricing power, supported by brand value, consumer loyalty, and continuous portfolio innovation. One of the biggest drivers of this future growth is the focus on TCCC's emerging categories, such as Fairlife products, in which The Coca-Cola Company has announced it will invest $650 million in two new production lines by 2028 (The Coca-Cola Company, 2026). These actions allow the Company to diversify its portfolio and sustain high prices.

The projections assume moderate and sustainable growth, consistent with the Company's maturity and strong competitive positioning, as well as the outlook for the global economy.

Margins

Operating margins are assumed to remain stable during forecast period, in line with historical behavior and the financial analysis.

The gross margin stabilizes by 60.70% and EBIT margin by 30.70%. This reflects the Company's pricing power, brand equity and the Company's asset-light business model, with any additional efficiency gains assumed.

Capital Expenditures and Depreciation

Over the forecast period, CapEx is projected to gradually converge from 4.2% to 4% of sales, consistent with the Company's historical trends and maturity. In particular, major investments announced for both Brazil and South Africa through 2030 will be primarily funded by independent bottling partners (The Coca-Cola Company, 2026a). This allows The Coca-Cola Company to leverage its volume growth in these emerging markets without needing to invest heavily in its own bottling plants, preserving the highly profitable and asset-light nature of its business model.

Depreciation is in line with PPE and remains stable at 49% over the forecasted years.

Working Capital

Working capital reflects the normalization of some recent dynamics.

After a period of negative working capital, driven by favorable supplier terms and operational efficiencies, working capital is expected to gradually stabilize at positive levels.

This assumption is aligned with historical averages of operating efficiency metrics such as DSO, DIO and DPO.

Tax rate

The effective tax rate is assumed to gradually increase over the forecast period, reflecting both the normalization observed in historical data and the impact of global tax reforms.

In particular, the implementation of the OECD global minimum tax framework (OECD, 2024), started in 2024, is expected to limit profit shifting and increase tax consistency across jurisdictions.

As a result, the tax rate converges to 25% by 2032, remaining slightly below the U.S. marginal tax rate, reflecting the Company's global geographic exposure and its operations in jurisdictions with lower tax rates.

Discounted Cash Flow

The valuation was performed using the DCF method, based on calculations of Free Cash Flow to the Firm through 2032 and thereafter in perpetuity.

This methodology allows for a fundamental assessment of TCCC's intrinsic value by explicitly incorporating operating performance, capital allocation, and risk through the discount rate.

The model assumes a gradual normalization of the company's growth and its key operating metrics, given the company's mature nature.

FCFF

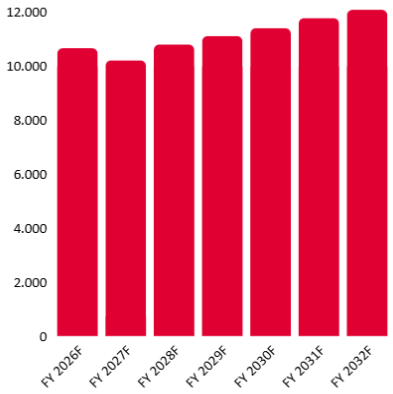
Free Cash Flow to the Firm is calculated by taking Net Operating Profit After Taxes (NOPAT), adding depreciation and amortization, and subtracting Capital Expenditures (Capex) and the change in Operating Working Capital.

NOPAT is obtained from EBIT after taxes, calculated as EBIT x (1- Tax rate), ensuring consistency with the company's operating performance.

As presented in Figure 33, over the projection period, NOPAT follows an upward trajectory, rising from an initial value of 12.197 billion in 2026 to 14.440 billion in 2032, reflecting revenue growth, stable operating margins, and the company's strong market position, in line with the assumptions outlined previously.

Depreciation follows the evolution of the Company's asset base and remains relatively stable throughout the forecast horizon.

Figure 33: *TCCC's FCFF*



Source: Company's data; Author's estimates

Capital expenditures are projected as a percentage of sales. This considers the company's asset-light model, its ongoing investment, and its refranchising strategy. Importantly, CapEx investment exceeds depreciation, as the company invests to grow rather than merely to maintain current operations.

Working capital reflects a normalization from previously favorable dynamics, with conservative assumptions that avoid extrapolating historically negative levels.

As a result, as shown in Table 13, FCFF remains positive and growing over the projection horizon, reflecting the robustness of the business model and the consistent ability to generate cash. Detailed FCFF calculations and underlying assumptions are presented in Appendix 16.

These cash flows are subsequently discounted at the WACC rate, incorporating the time value of money and the risk associated with future cash flows.

Table 13: *Free Cash Flow to the Firm Computation (USD Million)*

	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Net Operating Profit after taxes (N	12,197.06	12,527.71	12,932.92	13,310.61	13,687.95	14,055.85	14,440.48
(+) Depreciation	984.45	426.22	420.96	403.74	409.51	407.53	428.34
(-) Changes in Working Capital	1,272.45	327.58	298.08	289.67	295.67	296.81	312.48
(-) Capital Expeditures	2,200.00	2,201.32	2,289.33	2,345.48	2,430.07	2,423.38	2,508.66
Free Cash Flow to the Firm, FCFF	**9,709.05**	**10,425.02**	**10,766.47**	**11,079.20**	**11,371.71**	**11,743.19**	**12,047.69**
Discount Factor		0.94	0.88	0.82	0.77	0.72	0.68
PV of FCFF		**9,768.45**	**9,453.03**	**9,114.96**	**8,766.40**	**8,482.62**	**8,154.48**

Source: Author estimates

Terminal Value

As presented in Table 14, the terminal value is estimated, assuming that the company grows in perpetuity. The long-term growth rate of 3.04% is determined by the reinvestment rate of 16.57% multiplied by the ROIC of 18.35%, ensuring economic consistency between operational assumptions and value creation.

The terminal value is computed using the Gordon Growth Model, applying a perpetuity growth factor of 1/(WACC-g), which captures the present value of a growing perpetuity.

In perpetuity, as Table 15 shows, a ROIC of 18.35% will stabilize at levels above the cost of capital, generating positive economic returns. The perpetual growth rate is 3.04%, aligned with TCCC's maturity and long-term macroeconomic expectations.

The terminal value is subsequently discounted to present value, representing one of the components used to calculate Enterprise Value, given the company's expected long-term nature.

Table 14: *Terminal value computation (USD Million)*

Terminal Value (USD Milion)	
EBIT2033	19,839.34
Tax Rate	25.83%
Reinvestment rate	16.57%
FCFF 2033	17,153.09
Perpetuity Growth Factor	27.17
Terminal Value	465,975.35
Discount Factor	0.68
PV of terminal value	315,395.62

Source: Author's estimates

Table 15: *Terminal Growth Assumptions*

ROIC Final Year	**18.35%**
NOPAT	14,440.48
Cash and Cash Equivalent	15,651.59
Total Debt	55,249.45
Equity	39,107.06
Reinvestment Rate	**16.57%**
Net Capex	2,080.32
Var Working Capital	312.48
NOPAT	14,440.48
Growth Rate	**3.04%**

Source: Author's estimates

Enterprise Value and Equity Value

Enterprise value is calculated as the sum of the present values of FCFF and the present value of terminal value. After subtracting debt, adding cash, and non-controlling interests, the equity value is obtained. Subsequently, the equity value is divided by the number of outstanding shares to obtain the intrinsic value per share.

Valuation Results

The valuation yields a target price of $80.08 per share, representing an upside of 14.55% relative to the market price as of December 31, 2025, of $69.91, as Table 16 presents. This result reflects TCCC's ability to generate stable and growing cash flows, supported by strong margins, efficient capital allocation, and a resilient business model.

Table 16: Equity valuation and implied share price

Target Price	
Entreprise Value	369,135.55
(-) Value of Non-Controlling Interest	-30
(+) Cash and Cash Equivalents	15,126.56
(-) Value of debt	39,794.54
Market Value of Equity	344,497.57
Shares Outstanding	4,302
Value per Share	**$80.08**
Upside	**14.55%**
Current Share price (31/12/2025)	$69.91

Source: Author's estimates

SENSITIVITY ANALYSIS

The sensitivity analysis assessed the impact of changes in the WACC and the perpetual growth rate (g) on the target share price, and it is described in Table 17.

In the base case, with a WACC of 6.72% and a growth rate of 3.04%, the model yields a target price of $80.16, as shown in the table.

A reduction in the growth rate to 2.04% implies a decrease in the target price to $63.86, while an increase in the WACC to 7.72% reduces the price to $60.89, highlighting the model's high sensitivity to changes in the capital structure.

On the other hand, in the most optimistic scenario, with a growth rate of 4.04% and a constant WACC, the target price reaches $108.40.

In most of the scenarios considered, the target price remains higher than the market price, supporting the robustness of the valuation model.

Table 17: Sensitivity analysis

		Target Price ($)				
		Terminal Growth (%)				
		2.04%	2.54%	3.04%	3.54%	4.04%
WACC (%)	5.72%	83.99	96.5035	113.68	138.73	178.68
	6.22%	72.71	82.01	94.23	111.00	135.47
	6.72%	63.86	71.00	80.08	92.01	108.40
	7.22%	49.60	62.35	69.33	87.46	89.86
	7.72%	50.86	55.39	60.89	67.71	76.37

Source: Author's estimates

SCENARIO ANALYSIS

The Bear, Base, and Bull scenarios consider different revenue growth trajectories and their resulting impact on operating margins. To ensure the model's accuracy, the scenarios were constructed considering the historical volatility of revenue growth and gross margin between 2021 and 2025, as shown in Table 18 and 19.

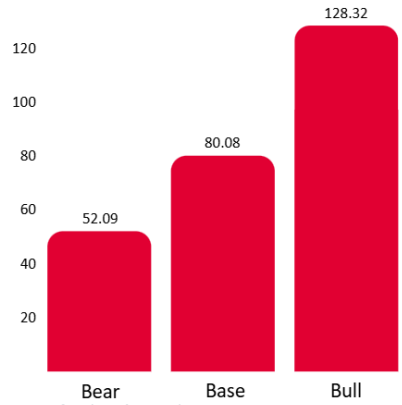
The Base scenario is the scenario previously described in the DCF model, with a target price of $80.08 per share and an upside of 14.55% relative to the market price.

The bear scenario assumes a contraction in revenue to reflect an adverse macroeconomic environment and a decline in consumption. Margins and revenue are adjusted downward based on the historical standard deviation, with revenue ranging from -1.40% to -2.80% and the gross margin set at 59.30%, resulting in a target price of $52.09.

The bull scenario considers revenue growth driven by expansion in emerging markets and TCCC's premiumization strategies. This scenario was estimated by adding the standard deviation to the baseline metrics; revenue ranges from 9.83% to 11.22%, and with a gross margin of 62.07%, the target price rises to $128.32.

The results presented in Figure 34 highlight the sensitivity of the valuation to changes in certain operational assumptions. The base case remains the most likely due to the business's historical resilience and the consistency of DCF, supporting the investment recommendation.

Figure 34: *Scenario analysis- Target price under different operating assumptions ($)*



Source: Author's estimates

Table 18: *Historical revenues growth and volatility*

FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	STD
12.69%	6.81%	3.46%	18.70%	4.90%	**6.31%**

Source: Company's data

Table 19: *Historical gross margin and volatility*

FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	STD
60.27%	58.14%	59.49%	61.06%	61.63%	**1.37%**

Source: Company's data

RELATIVE VALUATION

Relative valuation complements the DCF analysis to assess the consistency of the model's assumptions and to examine how the market values companies with characteristics similar to those of The Coca-Cola Company.

Peer Group

The selection of the peer group was conducted in two phases. In the first phase, a broad group of companies in the beverage and consumer goods sector was analyzed, including PepsiCo, Nestlé, Danone, Heineken, and Unilever.

However, this analysis revealed significant structural differences in terms of business model and profitability profile. Companies such as Nestlé and Danone are overly diversified outside the beverage sector. The other companies have smaller scale, lower pricing power, and significantly lower operating margins.

Including these companies would result in considerably lower multiples and would not reflect TCCC's premium positioning, characterized by robust margins, strong brand equity, and predictable cash flow.

Thus, as shown in Table 20, a restricted peer group consisting of PepsiCo and Monster Beverage was selected, as they exhibited greater similarity in terms of global scale, pricing power, and profitability profiles, thereby mitigating the risk of distorted results.

This restriction implies a limitation of the analysis given the small number of peers compared.

Table 20: Comparable company multiples

Company	P/E	P/BV	EV/ EBITDA
Coca-Cola Co	**23.84**	**10.3**	**20.99**
PepsiCo Inc	18.63	10.77	13.13
Monster Beverage	33.73	9.09	24.43
Average	**26.18**	**9.93**	**18.78**
Median	**26.18**	**9.93**	**18.78**

Source: LSEG WS

Multiples Valuation

The multiples used, Price-to-Earnings (P/E), Price-to-Book Value (P/BV), and Enterprise Value-to-EBITDA (EV/EBITDA), capture different dimensions, ranging from the shareholder's perspective to operational valuation independent of the company's capital structure.

Forward multiples were used for P/E and EV/EBITDA to align the analysis with market expectations and reduce distortions caused by temporary events. For P/BV, the time series ratio was applied, making it less sensitive to short-term performance volatility and reflective of the Company's underlying asset base.

Table 21: Relative Valuation Results and Implied Share Price

Multiples	P/E	P/BV	EV/EBITDA
Median Multiples	26.18	9.93	18.78
TCCC Metric	2.96	34,275	15,230
	(EPS)	(BV)	(EBITDA)
Enterprise Value ($M)	-	-	286019.4
Market Cap ($M)	-	340350.75	315,705
Implied Share Price ($)	77.49	79.11	73.39
Implied Upside	0.11	0.13	0.05
Current Share Price	69.91		
	Average Implied Share Price		$76.66
	Upside		9.66%

Source: LSEG WS; Author's estimates

Relative Valuation Results

As presented in Table 21, applying the multiples to TCCC's respective indicators results in a share price of $76.66, compared to the market price of $69.91 as of December 31, 2025, suggesting an upside of 9.66%. The Company may be slightly undervalued by market, although the difference remains moderate.

The discrepancy with the value obtained by the DCF arises from the distinct nature of the methodologies. The DCF incorporates various long-term assumptions such as sustainable growth and the maintenance of profitability, while relative valuation primarily reflects market conditions and expectations.

The Company commands a premium relative to its peer group due to its global scale and strong brand equity. This factor is not captured in multiples analysis, especially within a very narrow peer group. Despite the careful selection of peers, TCCC possesses unique characteristics, including unmatched global scale, high consumer loyalty, and stable cash flows, which justify the price premium.

The implied valuation is derived by applying peer median multiples to The Company's corresponding financial metrics, as detailed in Appendix 17. Relative valuation serves as a short-term validation tool, while DCF constitutes the primary basis for valuation since it better reflects the company's prospects.

INVESTMENT RISKS

The Coca-Cola Company is exposed to operational, economic, financial and regulatory risks that could impact on its future performance and its intrinsic value. These risks are assessed based on their probability of occurrence and their potential impact on valuation, as presented in Figure 35.

OPERATIONAL RISKS

CHANGING CONSUMER PREFERENCES AND HEALTH TRENDS | OR1 (Table 22)

Probability: Moderate| **Impact:** Moderate

Consumer awareness for health and well-being is shifting consumption patterns, with a greater preference for lower sugar and functional beverages. This trend reduces demand for carbonated beverages, which account for most of the TCCC's revenue, making it a significant structural risk to long term growth.Despite ongoing portfolio diversification, the transition remains gradual and may limit volume growth.

Risk Management: The Company has been diversifying its portfolio with lower sugar beverages and functional products to reduce its reliance on traditional carbonated drinks.

Valuation Impact: This risk affects directly revenues growth assumptions. In a bear scenario, reduced growth implies a target price of $52.09 per share, reducing the upside compared to the base case scenario.

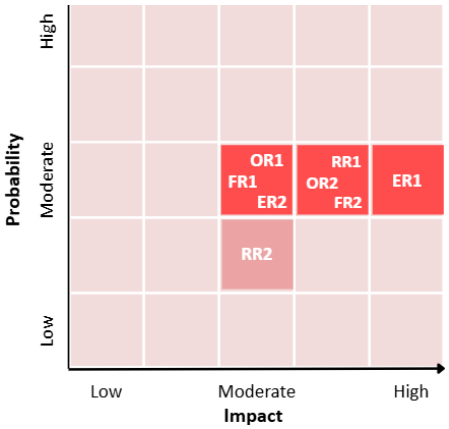
SUPPLY CHAIN DISRUPTIONS|OR2 (Table 22)

Probability: Moderate| **Impact:** Moderate to high

The Coca-Cola Company is impacted by constraints in the supply chain, which may result in higher operating costs and reduced availability of raw materials, energy, and transportation services. Given its global presence and reliance on multiple suppliers, prolonged disruptions may negatively affect the company's operational efficiency. Although economies of scale and strong pricing power partially offset these pressures, prolonged shocks may compress margin and affect demand.

Risk Management: The risk is mitigated through economies of scale, long-term suppliers' agreements,

Figure 35: *Risk Matrix; Probability vs. Impact of Identified Risks*



Source: Author

Table 22:*Risk and mitigation analysis (OR)*

OPERATIONAL RISKS	
RISKS	MITIGATION
OR1: Changing treds	Portfolio diversification Innovation and product reformulation Expansion into premium categories
OR2: Supply chain disruptions	Long term supplier contracts Hedging Strategies Scale advantages Supplier diversification

Source: Author's

hedging strategies, and supply chain diversification which help reduce cost volatility.

Valuation Impact: The risk impacts operating margins. In an adverse scenario, rising costs will reduce NOPAT and FCFF and put pressure on the company's value and lead to a lower target price.

ECONOMIC AND MARKET RISKS

MACROECONOMIC AND GEOPOLITICAL RISK|ER1(Table 23)

Probability: Moderate |**Impact:** High

The Company is exposed to the global macroeconomic environment, particularly inflation, interest rate fluctuations, currency volatility, and geopolitical instability. These factors may reduce consumers' disposable income and demand for products.

Risk Management: Geographic diversification helps mitigate regional economic shocks and adapt to different economic environments.

Valuation Impact: This risk simultaneously affects revenues and margins. In a scenario of slower economic growth, the bear case applies, where the target price reaches $52.09 per share.

COMPETITION AND INNOVATION RISK|ER2 (Table 23)

Probability: Moderate | **Impact:** Moderate

The non-alcoholic beverage industry is highly competitive, with multinationals and various emerging brands gaining relevance. The growth of e-commerce increases price transparency, intensifies rivalry and pressures pricing strategies.

Risk Management: The Company invests in marketing and constant innovation, resulting in differentiation and an even more competitive position.

Valuation Impact: Increased competition may limit pricing power and revenue growth, leading to lower cash flows and a reduction in intrinsic value.

FINANCIAL RISKS

CURRENCY RISK |FR1 (Table 24)

Probability: Moderate | **Impact:** Moderate

The Coca-Cola company has significant international exposure, with a portion of its revenue coming from outside the U.S., and is exposed to currency fluctuations, which can negatively impact reported results. Although the company uses hedging instruments, this remains a structural risk associated with its global presence.

Table 23: *Risk and mitigation analysis (ER)*

ECONOMIC AND MARKET RISKS	
RISKS	**MITIGATION**
ER1: Geopolitical and macroeconomic risk	Geographic diversification Flexible pricing strategies
ER2: Competition and Innovation pressure	Investment in marketing Brand strength and pricing power

Source: Author's

Table 24: *Risk and mitigation analysis (FR)*

FINANCIAL RISKS	
RISKS	**MITIGATION**
FR1: Foreign exchange risk	Hedging strategies Natural Hedging trough geografic diversification
FR2: Interest rate and Inflation risk	Strong credit rating Cost management

Source: Author's

Risk Management: The company uses hedging instruments and benefits from natural hedging through geographic diversification.

Valuation Impact: By impacting reported results, it affects revenues and FCFF. In an adverse scenario, cash flows are reduced, and the target price is lowered.

INTEREST RATE AND INFLATION RISK |FR2 (Table 24)

Probability: Moderate | **Impact:** Moderate to High

Rising interest rates increase the cost of financing and impact on the cost of capital. Simultaneously, inflationary pressures may reduce operating margins if not offset by price/mix strategies.

Risk Management: The Company has a balanced capital structure with easy and favorable financing conditions, supported by its credit rating.

Valuation Impact: This risk is reflected in the sensitivity analysis. An increase in the WACC to 7.72%, with the same growth rate, reduces the target price to $60.89.

REGULATORY AND ENVIRONMENTAL RISKS

REGULATORY RISK|RR1 (Table 25)

Probability: Moderate | **Impact:** Moderate to High

Growing regulatory pressure, such as taxes on sugar use and restrictions on product labeling, may reduce demand due to increased costs.

Risk Management: The company has been reformulating products, reducing sugar content and increasing nutritional transparency.

Valuation Impact: Higher regulatory costs and reduced consumption may compress margin and lower revenues, leading to a decrease in valuation result.

ENVIRONMENTAL AND SUSTAINABILITY RISK|RR2 (Table 25)

Probability: Moderate | **Impact:** Moderate

The Coca-Cola Company is exposed to environmental risks such as water scarcity, climate change, and pressure to reduce plastic use. These factors may entail higher costs and investment needs.

Failure to meet expectations and sustainability standards could create significant reputational risks.

Risk Management: TCCC has implemented sustainability initiatives, such as carbon neutrality goals and efficient water management.

Valuation Impact: This risk could lead to increased investment, resulting in higher costs, lower FCFF, and a lower target price.

Table 25: *Risk and mitigation analysis (RR)*

REGULATORY AND ESG RISKS	
RISKS	MITIGATION
RR1: Regulatory Risk	Product reformulation Transparency Portfolio diversification
RR2: Environmental and Sustainability risk	Water management iniciatives Carbon neutrality targets Sustainable packaging investment

Source: Author's

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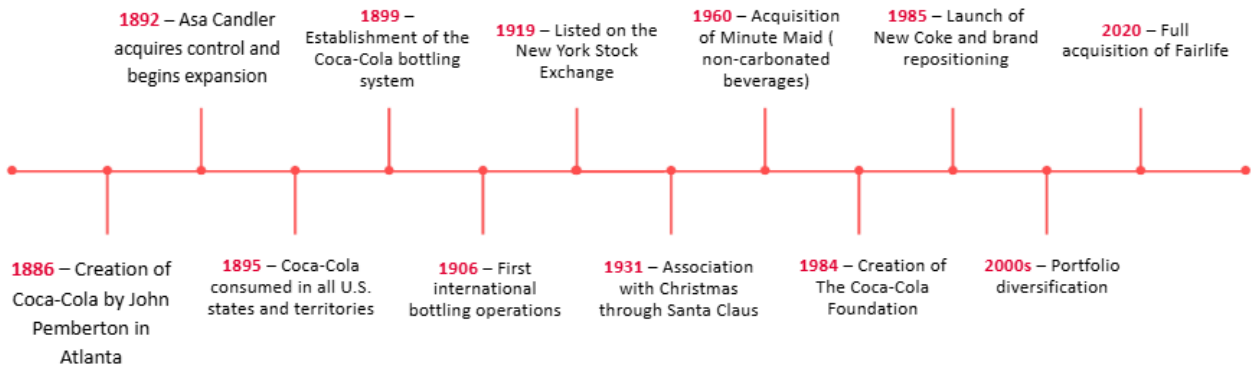
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APPENDICES

Appendix 1: Key Milestones of The Coca-Cola Company



Source: Company's data

Appendix 2: TCCC Brands



Source: Company's data

Appendix 3: TCCC Acquisitions

Year	Aquisition	Category	Stategy
1960	Minute Maid	Juices	First major diversification beyond carbonated soft drinks
1993	Thums Up	Carbonated soft drinks(India)	Strengthened market leadership in India
1995	Barq´s	Root beer	Expanded product offering in the U.S. market
1999	Inca Kola	Carbonated soft drinks(Peru)	Entry into a dominant local brand
2007	Fuze Beverage	Functional teas and juices	Expansion into health oriented beverages
2007	Glacéau	Enhanced water	Strategic response to declining soda consumption
2011	Honest Tea	Organic beverages	Entry into health-conscious and sustainable segment
2017	Topo Chico	Sparkling Water	Expansion into premium water category
2019	Costa Coffee	Coffe	Entry into global coffee market and retail channels
2020	Fairlife	Value added dairy	Expansion into high-protein, premium dairy segment
2021	BodyArmor	Sports drinks	Strengthened position in sports drinks segment vs competitors

Source: Company's data

Appendix 4: *Detailed Porter's Five Forces Analysis*

The non-alcoholic beverage industry is characterized by intense competition, driven by the presence of multinational companies with global reach, high marketing expenditures, and the growing convergence among product categories.

Companies are adjusting their portfolios and business strategies to keep pace with evolving consumer preferences. They have sought to balance affordability through smaller formats and innovate with a more value-added and diversified positioning.

Porter's Five Forces Analysis

As presented in Figure 21, the industry is characterized by high rivalry and the strong threat of substitutes, while the threat of new entrants remains relatively moderate.

Rivalry among competitors—High

Rivalry in the non-alcoholic beverage industry is high given the large number of multinationals competing in the same growth categories. Market maturity, combined with convergence across product categories, intensifies direct competition among the major players.

By 2025, competition intensified due to companies adjusting their portfolios and strategies in response to new consumer preferences. Companies are trying to balance affordability through smaller formats adapted to inflationary conditions, premium positioning strategies, and diversification. At the same time, the entry of new, smaller operators into the market to exploit higher-value niches, such as fermented and botanical beverages, has accelerated innovative cycles and competitive pressure.

In summary, rivalry is heightened by market maturity, rapid innovation, high promotional spending, and the convergence of previously distinct segments.

Threat of New Entrants —Low/Moderate

Barriers to entry in the industry remain significant, primarily due to economies of scale, high marketing investments, required brand equity, as well as the regulatory framework related to sugar content, labeling, and environmental targets. These factors increase entry costs and discourage new entrants.

However, there is a moderate threat in emerging and premium niches, where differentiation, authenticity, and alignment with health and sustainability trends stand out. In response, multinationals are turning to strategic partnerships, acquisitions, and the launch of new brands.

Suppliers' Bargaining Power—Moderate

Suppliers' bargaining power is moderate, given that the industry depends on essential raw materials such as sugar, sweeteners, aluminum, and PET. Geopolitical and environmental instability directly affects production costs and, consequently, companies' profit margins.

This risk is mitigated through long-term contracts and hedging instruments, which reduce volatility in cost. Additionally, the commitment to ESG criteria raises requirements for suppliers and increases the importance of suppliers with advanced technological and environmental capabilities, reinforcing their strategy.

Customer bargaining power—Medium/High

Customer bargaining power is medium/high due to the high concentration of distribution channels, particularly wholesalers and digital platforms, which influence product visibility and access for the end consumer. Inflation and the diversification of supply have contributed to increased price sensitivity, encouraging the search for more economical or smaller-sized alternatives.

Brands with a strong global presence and premium positioning retain some ability to defend their pricing. The growing trend of direct-to-consumer sales through online channels, proprietary apps, or even automated distribution systems eliminates potential intermediaries, allowing companies to recoup part of their margins and strengthen their relationship with consumers.

Threat of Substitutes— High

The threat of potential substitutes is high, driven by shifting consumer preferences toward healthier choices, such as water and functional beverages, which are gradually replacing soft drinks and energy drinks. At the same time, we are witnessing the growth of low-calorie flavored waters.

The rise of "No/Lo" (low- or non-alcoholic) beverages presents indirect competition, as they vie for similar occasions and the same type of consumer. This convergence among different categories increases pressure on traditional non-alcoholic brands and demands greater differentiation and innovation.

In response, TCCC has diversified its product portfolio to target products for various occasions and consumer profiles. Investment in brands such as Vitaminwater and Smartwater, Fuzetea (tea), MonterEvergy, and Fairlife (premium dairy beverage) allows the company to adapt to new consumer preferences and establish a presence in high-value industry niches.

Conclusion

Porter's Five Forces analysis is characterized by intense rivalry and high buyer bargaining power, factors that put pressure on margins and demand continuous differentiation. The threat of new entrants is low, with greater relevance in premium niches, while supplier power is moderate. The high threat of substitute products reinforces the need for companies to adapt to trends focused on health and well-being.

Appendix 5: *Detailed SWOT analyis*

Strengths

The Coca-Cola Company benefits from strong global brand recognition and high brand value, resulting from its international presence and diversified portfolio, with over 3,000 products available in more than 200 countries.

Its bottling and distribution network, based on independent bottlers, ensures a global presence. This model combines strategic control with an asset-light model, resulting in operational efficiency and flexibility.

Economies of scale are a significant structural strength, supported by strong bargaining power with suppliers and an integrated logistics chain. This scale allows the Company to launch products efficiently and consistently across various markets.

Consumer loyalty presents itself as an additional competitive advantage, strengthened by the emotional connection created by marketing campaigns.

Furthermore, TCCC adapts its portfolio according to consumer preferences, which reinforces brand loyalty and brand value.

Weaknesses

One of TCCC's weaknesses is its significant reliance on carbonated beverages, which account for 69% of sales. Although historically profitable, they are currently undergoing a structural shift due to changing consumer preferences.

TCCC faces various reputational and regulatory risks related to growing concerns about sugar content, caffeine, and the use of artificial additives, which may require product reformulations and increase production costs.

The complex and decentralized structure can hinder the speed of decision-making and increase the company's administrative costs.

Additionally, dependence on water constitutes an operational risk in regions experiencing increasing water scarcity.

Finally, limited growth in mature markets forces TCCC to seek out emerging markets, which are subject to currency risk exposure and political instability.

Opportunities

The Coca-Cola Company capitalizes on strategic opportunities through innovation and investment in premium segments, with healthier and more appealing beverages, particularly for younger consumers who prioritize a healthier lifestyle.

Expansion in emerging markets presents an opportunity for volume growth given the increase in disposable income and improvements in distribution channels.

Digitalization presents both a challenge and an opportunity, as investment in digital platforms and vending systems improves the consumer relationship and enhances operational efficiency.

Financially, refranchising and the asset-light model allow TCCC to focus on activities that contribute to greater value creation, such as marketing, global brand management, and innovation, which help strengthen margins.

In terms of sustainability, TCCC is committed to carbon neutrality by 2040 and positions the company favorably with consumers and stakeholders who are more environmentally conscious.

Threats

The Coca-Cola Company faces intensifying competition, both from existing players and from emerging brands focused on the premium niche.

The structural shift in consumer preferences toward healthier, lower-sugar options challenges the traditional portfolio and demands continuous innovation.

Increased regulation on sugar levels, advertising restrictions, and environmental requirements constitute a structural threat impacting costs and operational flexibility.

Climate change and water scarcity pose operational and cost risks that are critical to production.

Additionally, the current macroeconomic environment—marked by persistent inflation, geopolitical tensions, and high logistics costs—may affect consumer purchasing power and create uncertainty in the medium term.

SWOT Summary

TCCC maintains a solid competitive position supported by its global scale, diversification, and capacity for continuous innovation. However, regulatory pressure, shifting consumer preferences, and operational risks require adaptation toward healthier, more sustainable, and digitally sustainable products. The company's ability to adapt its portfolio is critical to preserving its competitive advantage and creating long-term value.

Appendix 6: *TCCC's Board*

Name	Nacionality	Position	Age	Appointed	Relevant Experience
JAMES QUINCEY	British	Chairman and Chief Executive Officer	61	2017	Extensive leadership within Coca-Cola; Global operations and strategy expertise
HERB ALLEN	American	Independent Director	58	2021	Investment banking, financial advisory and corporate governance expertise
Bela Bajara	British	Independent Director	55	2024	Chief Content Officer at Netflix; media content and global strategy expertise
ANA BOTÍN	Spanish	Independent Director	65	2013	Executive Chair of Banco Santander; banking, financial and global leadership expertise
HENRIQUE BRAUN	American	Executive Vice President and Chief Operating Officer	57	2024	Extensive experience within Coca-Cola system operations international markets and supply chain expertise
CHRISTOPHER C. DAVIS	American	Independent Director	60	2018	Investment management and financial markets expertise; portfolio management experience
CAROLYN EVERSON	American	Independent Director	54	2022	Marketing, digital media and technology expertise; leadership roles at Meta and Instacart
THOMAS S. GAYNER	American	Independent Director	64	2023	Investment, insurance and capital allocation expertise; CEO of Markel Group
MAX LEVCHIN	Ukrainian	Independent Director	50	2025	Fintech and technology expertise; Founder and CEO of Affirm
AMITY MILLHISER	American	Independent Director	62	2023	Audit, accounting and financial reporting expertise; Former PwC Vice Chair
CAROLINE J. TSAY	American	Independent Director	44	2018	Technology and software expertise; leadership roles at Compute Software and HPE
DAVID B. WEINBERG	American	Independent Director	74	2015	Investment management and governance expertise; Chairman and CEO of Judd Enterprises

Source: Company's data

The Board demonstrates a strong balance of expertise across a range of areas, from finance and operations to technology and marketing, which contributes to effective strategic oversight.

Appendix 7: *Base Case Income Statement*

$Milllions Field Name	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Revenues	**33,014.00**	**38,655.00**	**43,004.00**	**45,754.00**	**47,061.00**	**47,941.00**	**50,290.92**	**52,412.48**	**54,507.86**	**56,517.53**	**58,555.91**	**60,584.43**	**62,716.55**
Cost of goods sold	-13,433.00	-15,357.00	-18,000.00	-18,535.00	-18,324.00	-18,397.00	-19,764.33	-20,598.10	-21,421.59	-22,211.39	-23,012.47	-23,809.68	-24,647.60
Gross Profit - Total	**19,581.00**	**23,298.00**	**25,004.00**	**27,219.00**	**28,737.00**	**29,544.00**	**30,526.59**	**31,814.38**	**33,086.27**	**34,306.14**	**35,543.44**	**36,774.75**	**38,068.94**
SG & A	-9,731.00	-12,144.00	-12,880.00	-13,972.00	-14,582.00	-14,521.00	-15,087.28	-15,723.74	-16,352.36	-16,955.26	-17,566.77	-18,175.33	-18,814.96
Other Operating Expense/(Income)	26.00	0.00	-3.00	0.00	0.00	**0.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Profit (EBIT)	**9,824.00**	**11,154.00**	**12,127.00**	**13,247.00**	**14,155.00**	**15,023.00**	**15,439.31**	**16,090.63**	**16,733.91**	**17,350.88**	**17,976.67**	**18,599.42**	**19,253.98**
Financing Income/(Expense) - Net - Total	-1,067.00	-659.00	-558.00	-724.00	-643.00	-757.00	-754.36	-786.19	-817.62	-847.76	-878.34	-908.77	-940.75
Financing Income	370.00	349.00	560.00	1,115.00	1,193.00	945.00	1,156.69	1,205.49	1,253.68	1,299.90	1,346.79	1,393.44	1,442.48
Financing Expense	-1,437.00	-1,008.00	-1,118.00	-1,839.00	-1,836.00	-1,702.00	-1,911.05	-1,991.67	-2,071.30	-2,147.67	-2,225.12	-2,302.21	-2,383.23
Equity income/(Loss) - before Taxes including Non-Recurring	978.00	1,438.00	1,472.00	1,691.00	1,770.00	2,031.00	2,089.90	2,150.51	2,212.87	2,277.04	2,343.08	2,411.03	2,480.95
Other Non-Operating Income/(Expense)	166.00	261.00	201.00	-77.00	-31.00	-79.00	-66.88	-69.70	-72.49	-75.16	-77.87	-80.57	-83.40
Normalized Pre-tax Profit	**9,901.00**	**12,194.00**	**13,242.00**	**14,137.00**	**15,251.00**	**16,218.00**	**16,707.97**	**17,385.25**	**18,056.68**	**18,705.00**	**19,363.54**	**20,021.11**	**20,710.78**
Non-Recurring Income/(Expense) - Total	-152.00	231.00	-1,556.00	-1,185.00	-2,165.00	-220.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Earnings before Taxes (EBT)	**9,749.00**	**12,425.00**	**11,686.00**	**12,952.00**	**13,086.00**	**15,998.00**	**16,707.97**	**17,385.25**	**18,056.68**	**18,705.00**	**19,363.54**	**20,021.11**	**20,710.78**
Income Taxes	-1,981.00	-2,621.00	-2,115.00	-2,249.00	-2,437.00	-2,861.00	-3,508.67	-3,849.59	-4,101.45	-4,355.59	-4,619.59	-4,890.87	-5,177.69
Net Income after Tax	**7,768.00**	**9,804.00**	**9,571.00**	**10,703.00**	**10,649.00**	**13,137.00**	**13,199.30**	**13,535.66**	**13,955.23**	**14,349.41**	**14,743.95**	**15,130.24**	**15,533.08**
Minority Interest	21.00	33.00	29.00	-11.00	18.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00
Income Available to Common Shares	**7,747.00**	**9,771.00**	**9,542.00**	**10,714.00**	**10,631.00**	**13,107.00**	**13,229.30**	**13,565.66**	**13,985.23**	**14,379.41**	**14,773.95**	**15,160.24**	**15,563.08**

Source: Company's data; Author's estimates

Appendix 8: Base Case Income Statement Common Size

$Milllions Field Name	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of goods sold	40.69%	39.73%	41.86%	40.51%	38.94%	38.37%	39.30%	39.30%	39.30%	39.30%	39.30%	39.30%	39.30%
Gross Profit - Total	59.31%	60.27%	58.14%	59.49%	61.06%	61.63%	60.70%	60.70%	60.70%	60.70%	60.70%	60.70%	60.70%
SG & A	29.48%	31.42%	29.95%	30.54%	30.99%	30.29%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Other Operating Expense/(Income)	0.08%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Profit (EBIT)	29.76%	28.86%	28.20%	28.95%	30.08%	31.34%	30.70%	30.70%	30.70%	30.70%	30.70%	30.70%	30.70%
Financing Income/(Expense) - Net - Total	3.23%	1.70%	1.30%	1.58%	1.37%	1.58%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Equity income/(Loss) - before Taxes including Non-Recurring	2.96%	3.72%	3.42%	3.70%	3.76%	4.24%	4.16%	4.10%	4.06%	4.03%	4.00%	3.98%	3.96%
Other Non-Operating Income/(Expense)	0.50%	0.68%	0.47%	0.17%	0.07%	-0.16%	-0.13%	-0.13%	-0.13%	-0.13%	-0.13%	-0.13%	-0.13%
Normalized Pre-tax Profit	**29.99%**	**31.55%**	**30.79%**	**30.90%**	**32.41%**	**33.83%**	**33.22%**	**33.17%**	**33.13%**	**33.10%**	**33.07%**	**33.05%**	**33.02%**
Non-Recurring Income/(Expense) - Total	0.46%	-0.60%	3.62%	2.59%	4.60%	0.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Earnings before Taxes (EBT)	**29.53%**	**32.14%**	**27.17%**	**28.31%**	**27.81%**	**33.37%**	**33.22%**	**33.17%**	**33.13%**	**33.10%**	**33.07%**	**33.05%**	**33.02%**
Income Taxes	6.00%	6.78%	4.92%	4.92%	5.18%	5.97%	6.98%	7.34%	7.52%	7.71%	7.89%	8.07%	8.26%
Net Income after Tax	**23.53%**	**25.36%**	**22.26%**	**23.39%**	**22.63%**	**27.40%**	**26.25%**	**25.83%**	**25.60%**	**25.39%**	**25.18%**	**24.97%**	**24.77%**
Minority Interest	0.06%	0.09%	0.07%	-0.02%	0.04%	-0.06%	-0.06%	-0.06%	-0.06%	-0.05%	-0.05%	-0.05%	-0.05%
Income Available to Common Shares	**23.47%**	**25.28%**	**22.19%**	**23.42%**	**22.59%**	**27.34%**	**26.31%**	**25.88%**	**25.66%**	**25.44%**	**25.23%**	**25.02%**	**24.81%**

Source: Company's data; Author's estimates

Appendix 9: Income Statement forecasting assumptions

Field Name	Assumption	Methodology
Revenues	Growth driven by volume and price/mix	Bottom-up by geography
Cost of goods sold	Grows with gross profit margin and	Based on 3 year historical average. Kept cosntant thereafter.
Gross Profit - Total	60,70%	Based on 3 year historical average.Kept cosntant thereafter.
SG & A	30%	Based on 3 year historical average. Kept cosntant thereafter.
Other Operating	Stable	Last reported Value
Operating Profit (EBIT)	Derived	Sum
Financing Income/(Expense)	Derived	Sum
Financing Income	23%	Average of the last 3 years (in % of sales) . Kept cosntant thereafter.
Financing Expense	38%	Average of the last 3 years (in % of sales) .Kept cosntant thereafter.
Equity income/(Loss) - before Taxes including Non-	Stable	Last Value reported with a growth of 29%
Other Non-Operating	13% of sales	Average of the last 3 years. Kept cosntant thereafter.
Normalized Pre-tax Profit	Derived	Sum
Non-Recurring	0	Non-recurring item
Earnings before Taxes (EBT)	Derived	Sum
Income Taxes	21% to 25%	Converge to long term corporate rate
Net Income after Tax	Derived	Sum
Minority Interest	-30	Last reported Value
Income Available to	Derived	Sum

Source: Author's estimates

Appendix 10: Base Case Balance Sheet

$Milllions Field Name	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Current Assets													
Cash & Short-Term Investments	10,914	12,625	11,631	13,663	14,571	15,806.00	15,126.56	15,896.80	15,243.17	15,084.30	15,388.49	15,257.37	15,651.59
Cash & Cash Equivalents	6,795.0	9,684.0	9,519.0	9,366.0	10,828	10,270.00	10,248.34	10,812.79	9,955.91	9,602.10	9,708.57	9,380.68	9,568.09
Short-Term Investments with marketable securities	4,119.0	2,941.0	2,112.0	4,297.0	3,743.0	5,536.00	4878.22	5084.01	5287.26	5482.20	5679.92	5876.69	6083.50
Loans & Receivables - Net - Short-Term	3,144.0	3,512.0	3,487.0	3,410.0	3,569.0	3,038.00	3879.21	4042.86	4204.48	4359.50	4516.73	4673.20	4837.66
Inventories - Total	3,266.0	3,414.0	4,233.0	4,424.0	4,728.0	4,425.00	4856.98	5061.88	5264.24	5458.33	5655.19	5851.10	6057.02
Prepaid Expense-Short term	1,916	2,994	2,638	3,141	2,998	2,433.00	3166.24	3299.81	3431.73	3558.26	3686.59	3814.30	3948.54
Assets held for sale / Discounted operating-short term	0.0	0.0	602.0	2,094.0	131.0	5,342.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Assets	**19,240**	**22,545**	**22,591**	**26,732**	**25,997**	**31,044.00**	**27,029**	**28,301**	**28,144**	**28,460**	**29,247**	**29,596**	**30,495**
Non-Current Assets													
Investments - Long-Term	812.0	818.0	501.0	118.0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments in Associates, Joint Ventures and Unconsolidated Subsidiaries	19,273	17,598	18,264	19,671	18,087	20,235.00	21175.45	22143.18	23138.97	24163.64	25218.03	26302.99	25471.00
Property, Plant & Equipment - Net - Total	12,325	11,338	11,247	10,564	11,485	11,310.00	12114.25	12625.30	13130.04	13614.13	14105.15	14593.78	15107.37
PPE Gross-Total	21248	20280	20481	19797	21,055	20,429.00	22,217.7	23,155.0	24,080.7	24,968.5	25,869.0	26,765.2	27,707.1
PPE and Landings	19700	18862	19075	18469	19873	18,732.00	20619.28	21489.12	22348.22	23172.19	24007.92	24839.62	25713.78
Right of use Tangible assets	1548	1418	1406	1328	1182	1,697.00	1598.42	1665.85	1732.44	1796.32	1861.10	1925.58	1993.34
Accumulated depreciation & Impairment	-8923	-8942	-9234	-9233	-9,570	-9,119.00	-10103.45	-10529.67	-10950.63	-11354.37	-11763.88	-12171.41	-12599.75
Other Non-Current Assets - Total	7,096.0	7,442.0	6,529.0	7,395.0	13,540	14,205.00	13075.64	13627.24	14172.04	14694.56	15224.54	15751.95	16306.30
Goodwill/Cost in Excess of Assets Purchased - Net	17,506	19,363	18,782	18,358	18,139	15,491.00	20593.76	21462.53	22893.30	23737.36	25179.04	26657.15	27595.28
Trademarks with indefinitive lives	11,044	15,250	14,849	14,865	13,301	12,531.00	12531.00	12531.00	12531.00	12531.00	12531.00	12531.00	12531.00
Total Non-Current Assets	**68,056**	**71,809**	**70,172**	**70,971**	**74,552**	**73,772.00**	**79490.10**	**82389.25**	**85865.36**	**88740.70**	**92257.76**	**95836.88**	**97010.96**
Total Assets	87,296	94,354	92,763	97,703	100,549	104,816.00	106519.09	110690.59	114008.99	117201.09	121504.77	125432.86	127505.77

Current Liabilities													
Trade Accounts Payable & Accruals - Short-Term	9,686.00	13,191.00	14,314.00	14,405.00	21,422.00	14,492.00	17,243.28	17,970.70	18,689.14	19,378.20	20,077.10	20,772.62	21,503.66
Trade accounts &Trade Notes Payable	3,517.00	4,602.00	5,307.00	5,590.00	5,468.00	5,649.00	5,956.37	6,207.65	6,455.82	6,693.84	6,935.27	7,175.52	7,428.04
Accrued Expense	6,169.00	8,589.00	9,007.00	8,815.00	15,954.00	8,843.00	11,286.90	11,763.05	12,233.32	12,684.36	13,141.84	13,597.10	14,075.62
Short-Term Debt & Current Portion of Long-Term Debt	2,668.00	4,645.00	2,772.00	6,517.00	2,147.00	3,373.00	3,848.07	4,091.10	4,174.35	4,401.88	4,092.50	4,297.65	3,817.97
Short term debt and Notes Payable	2,183.00	3,307.00	2,373.00	4,557.00	1,499.00	1,551.00	2,739.41	2,878.48	2,982.63	3,078.05	2,874.70	2,984.88	2,590.07
Current portion of Long Term Debt including Capitalized Leases	485.00	1,338.00	399.00	1,960.00	648.00	1,822.00	1,108.67	1,212.61	1,191.71	1,323.83	1,217.80	1,312.77	1,227.90
Liabilities Held for Sale/Discontinued Operations - Short-Term	0.00	0.00	160.00	719.00	3.00	2,570.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income Taxes - Payable - Short-Term	788.00	686.00	1,203.00	1,569.00	1,387.00	525.00	1,052.60	1,154.88	1,230.43	1,306.68	1,385.88	1,467.26	1,553.31
Operating Lease Liabilities - Current Portion/Short-Term	322.00	310.00	341.00	361.00	290.00	322.00	251.00	188.00	137.00	102.00	102.00	102.00	102.00
Other Current Liabilities - Total	1,137.00	1,118.00	934.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	**14,601.00**	**19,950.00**	**19,724.00**	**23,571.00**	**25,249.00**	**21,282.00**	**22,394.95**	**23,404.67**	**24,230.92**	**25,188.76**	**25,657.48**	**26,639.53**	**26,976.94**
Non-Current Liabilities													
Debt - Long-Term - Total	40,125.00	38,116.00	36,377.00	35,547.00	42,375.00	42,119.00	44,439.27	46,055.75	47,390.71	48,564.78	50,666.56	52,235.36	51,431.48
Deferred Tax & Investment Tax Credits - Long-Term	1,833.00	2,821.00	2,914.00	2,639.00	2,469.00	2,406.00	2,406.00	2,406.00	2,406.00	2,406.00	2,406.00	2,406.00	2,406.00
Other Non-Current Liabilities - Total	9,453.00	8,607.00	7,922.00	8,466.00	4,084.00	4,735.00	4,735.00	4,735.00	4,735.00	4,735.00	4,735.00	4,735.00	4,485.02
Total Non-Current Liabilities	**51,411.00**	**49,544.00**	**47,213.00**	**46,652.00**	**48,928.00**	**49,260.00**	**51,580.27**	**53,196.75**	**54,531.71**	**55,705.78**	**57,807.56**	**59,376.36**	**61,421.76**
Total Liabilities	**66,012.00**	**69,494.00**	**66,937.00**	**70,223.00**	**74,177.00**	**70,541.00**	**73,975.23**	**76,601.43**	**78,762.63**	**80,894.54**	**83,465.04**	**86,015.89**	**88,398.71**
Shareholders' Equity													
Shareholders' Equity - Attributable to Parent Shareholders - Total	19,299.00	22,999.00	24,105.00	25,941.00	24,856.00	32,169.00	30,437.86	31,983.16	33,140.36	34,200.55	35,933.73	37,310.97	37,001.06
Common Stock - Treasury/Repurchased	-52,016.00	-51,641.00	-52,601.00	-54,535.00	-55,916.00	-56,423.00	-60,800.00	-61,900.00	-63,400.00	-65,000.00	-66,000.00	-67,200.00	-70,000.00
Common Equity - Contributed	19,361.00	19,876.00	20,582.00	20,969.00	21,561.00	22,341.00	22,341.00	22,341.00	22,341.00	22,341.00	22,341.00	22,341.00	22,341.00
Common Stock - Issued & Paid	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00
Common Stock - Additional Paid in Capital including Option Reserve	17,601.00	18,116.00	18,822.00	19,209.00	19,801.00	20,581.00	20,581.00	20,581.00	20,581.00	20,581.00	20,581.00	20,581.00	20,581.00
Equity - Non-Contributed - Reserves & Retained Earnings	51,954.00	54,764.00	56,124.00	59,507.00	59,211.00	66,251.00	68,896.86	71,542.16	74,199.36	76,859.55	79,592.73	82,169.97	84,660.06
Retained Earnings - Total	66,555.00	69,094.00	71,019.00	73,782.00	76,054.00	80,382.00	83,027.86	85,673.16	88,330.36	90,990.55	93,723.73	96,300.97	98,791.06
Comprehensive Income - Accumulated - Total	-14,601.00	-14,330.00	-14,895.00	-14,275.00	-16,843.00	-14,131.00	-14,131.00	-14,131.00	-14,131.00	-14,131.00	-14,131.00	-14,131.00	-14,131.00
Minority Interest - Equity	1,985.00	1,861.00	1,721.00	1,539.00	1,516.00	2,106.00	2,106.00	2,106.00	2,106.00	2,106.00	2,106.00	2,106.00	2,106.00
Total Shareholders' Equity - including Minority Interest & Hybrid Debt	**21,284.00**	**24,860.00**	**25,826.00**	**27,480.00**	**26,372.00**	**34,275.00**	**32,543.86**	**34,089.16**	**35,246.36**	**36,306.55**	**38,039.73**	**39,416.97**	**39,107.06**
Total Liabilities & Shareholders' Equity	87,296.00	94,354.00	92,763.00	97,703.00	100,549.00	104,816.00	106,519.09	110,690.59	114,008.99	117,201.09	121,504.77	125,432.86	127,505.77

Source: Company's data; Author's estimates

Appendix 11: Balance Sheet Common Size

Field Name	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Current Assets													
Cash & Short-Term Investments	12.50%	13.38%	12.54%	13.98%	14.49%	15.08%	14.20%	14.36%	13.37%	12.87%	12.66%	12.16%	12.28%
Cash & Cash Equivalents	7.78%	10.26%	10.26%	9.59%	10.77%	9.80%	9.62%	9.77%	8.73%	8.19%	7.99%	7.48%	7.50%
Short-Term Investments with marketable securities	4.72%	3.12%	2.28%	4.40%	3.72%	5.28%	4.58%	4.59%	4.64%	4.68%	4.67%	4.69%	4.77%
Loans & Receivables - Net - Short-Term	3.60%	3.72%	3.76%	3.49%	3.55%	2.90%	3.64%	3.65%	3.69%	3.72%	3.72%	3.73%	3.79%
Inventories - Total	3.74%	3.62%	4.56%	4.53%	4.70%	4.22%	4.56%	4.57%	4.62%	4.66%	4.65%	4.66%	4.75%
Prepaid Expense-Short term	2.19%	3.17%	2.84%	3.21%	2.98%	2.32%	2.97%	2.98%	3.01%	3.04%	3.03%	3.04%	3.10%
Assets held for sale / Discounted operating-short term	0.00%	0.00%	0.65%	2.14%	0.13%	5.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Current Assets	22.04%	23.89%	24.35%	27.36%	25.86%	29.62%	25.37%	25.57%	24.69%	24.28%	24.07%	23.60%	23.92%
Non-Current Assets													
Investments - Long-Term	0.93%	0.87%	0.54%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investments in Associates, Joint Ventures and Unconsolidated	22.08%	18.65%	19.69%	20.13%	17.99%	19.31%	19.88%	20.00%	20.30%	20.62%	20.75%	20.97%	19.98%
Property, Plant & Equipment - Net - Total	14.12%	12.02%	12.12%	10.81%	11.42%	10.79%	11.37%	11.41%	11.52%	11.62%	11.61%	11.63%	11.85%
PPE Gross-Total	24.34%	21.49%	22.08%	20.26%	20.94%	19.49%	20.86%	20.92%	21.12%	21.30%	21.29%	21.34%	21.73%
Accumulated depreciation & Impairment	-10.22%	-9.48%	-9.95%	-9.45%	-9.52%	-8.70%	-9.49%	-9.51%	-9.61%	-9.69%	-9.68%	-9.70%	-9.88%
Other Non-Current Assets - Total	8.13%	7.89%	7.04%	7.57%	13.47%	13.55%	12.28%	12.31%	12.43%	12.54%	12.53%	12.56%	12.79%
Goodwill/Cost in Excess of Assets Purchased - Net	20.05%	20.52%	20.25%	18.79%	18.04%	14.78%	19.33%	19.39%	20.08%	20.25%	20.72%	21.25%	21.64%
Trademarks with indefinitive lives	12.65%	16.16%	16.01%	15.21%	13.23%	11.96%	11.76%	11.32%	10.99%	10.69%	10.31%	9.99%	9.83%
Total Non-Current Assets	77.96%	76.11%	75.65%	72.64%	74.14%	70.38%	74.63%	74.43%	75.31%	75.72%	75.93%	76.40%	76.08%
Total Assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Current Liabilities													
Trade Accounts Payable & Accruals - Short-Term	11.10%	13.98%	15.43%	14.74%	21.31%	13.83%	16.19%	16.24%	16.39%	16.53%	16.52%	16.56%	16.86%
Trade accounts &Trade Notes Payable	4.03%	4.88%	5.72%	5.72%	5.44%	5.39%	5.59%	5.61%	5.66%	5.71%	5.71%	5.72%	5.83%
Accrued Expense	7.07%	9.10%	9.71%	9.02%	15.87%	8.44%	10.60%	10.63%	10.73%	10.82%	10.82%	10.84%	11.04%
Short-Term Debt & Current Portion of Long-Term Debt	3.06%	4.92%	2.99%	6.67%	2.14%	3.22%	3.61%	3.70%	3.66%	3.76%	3.37%	3.43%	2.99%
Short term debt and Notes Payable	2.50%	3.50%	2.56%	4.66%	1.49%	1.48%	2.57%	2.60%	2.62%	2.63%	2.37%	2.38%	2.03%
Current portion of Long Term Debt including Capitalized Leases	0.56%	1.42%	0.43%	2.01%	0.64%	1.74%	1.04%	1.10%	1.05%	1.13%	1.00%	1.05%	0.96%
Liabilities Held for Sale/Discontinued Operations - Short-Term	0.00%	0.00%	0.17%	0.74%	0.00%	2.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income Taxes - Payable - Short-Term	0.90%	0.73%	1.30%	1.61%	1.38%	0.50%	0.99%	1.04%	1.08%	1.11%	1.14%	1.17%	1.22%
Operating Lease Liabilities - Current Portion/Short-Term	0.37%	0.33%	0.37%	0.37%	0.29%	0.31%	0.24%	0.17%	0.12%	0.09%	0.08%	0.08%	0.08%
Other Current Liabilities - Total	1.30%	1.18%	1.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Current Liabilities	16.73%	21.14%	21.26%	24.13%	25.11%	20.30%	21.02%	21.14%	21.25%	21.49%	21.12%	21.24%	21.16%
Non-Current Liabilities													
Debt - Long-Term - Total	45.96%	40.40%	39.21%	36.38%	42.14%	40.18%	41.72%	41.61%	41.57%	41.44%	41.70%	41.64%	40.34%
Deferred Tax & Investment Tax Credits - Long-Term	2.10%	2.99%	3.14%	2.70%	2.46%	2.30%	2.26%	2.17%	2.11%	2.05%	1.98%	1.92%	1.89%
Other Non-Current Liabilities - Total	10.83%	9.12%	8.54%	8.67%	4.06%	4.52%	4.45%	4.28%	4.15%	4.04%	3.90%	3.77%	3.52%
Total Non-Current Liabilities	58.89%	52.51%	50.90%	47.75%	48.66%	47.00%	48.42%	48.06%	47.83%	47.53%	47.58%	47.34%	48.17%
Total Liabilities	75.62%	73.65%	72.16%	71.87%	73.77%	67.30%	69.45%	69.20%	69.08%	69.02%	68.69%	68.58%	69.33%
Shareholders' Equity													
Shareholders' Equity - Attributable to Parent Shareholders - Total	22.11%	24.38%	25.99%	26.55%	24.72%	30.69%	28.58%	28.89%	29.07%	29.18%	29.57%	29.75%	29.02%
Common Stock - Treasury/Repurchased	-59.59%	-54.73%	-56.70%	-55.82%	-55.61%	-53.83%	-57.08%	-55.92%	-55.61%	-55.46%	-54.32%	-53.57%	-54.90%
Common Equity - Contributed	22.18%	21.07%	22.19%	21.46%	21.44%	21.31%	20.97%	20.18%	19.60%	19.06%	18.39%	17.81%	17.52%
Common Stock - Issued & Paid	2.02%	1.87%	1.90%	1.80%	1.75%	1.68%	1.65%	1.59%	1.54%	1.50%	1.45%	1.40%	1.38%
Common Stock - Additional Paid in Capital including Option Reserve	20.16%	19.20%	20.29%	19.66%	19.69%	19.64%	19.32%	18.59%	18.05%	17.56%	16.94%	16.41%	16.14%
Equity - Non-Contributed - Reserves & Retained Earnings	59.51%	58.04%	60.50%	60.91%	58.89%	63.21%	64.68%	64.63%	65.08%	65.58%	65.51%	65.51%	66.40%
Retained Earnings - Total	76.24%	73.23%	76.56%	75.52%	75.64%	76.69%	77.95%	77.40%	77.48%	77.64%	77.14%	76.77%	77.48%
Comprehensive Income - Accumulated - Total	-16.73%	-15.19%	-16.06%	-14.61%	-16.75%	-13.48%	-13.27%	-12.77%	-12.39%	-12.06%	-11.63%	-11.27%	-11.08%
Minority Interest - Equity	2.27%	1.97%	1.86%	1.58%	1.51%	2.01%	1.98%	1.90%	1.85%	1.80%	1.73%	1.68%	1.65%
Total Shareholders' Equity - including Minority Interest & Hybrid Debt	24.38%	26.35%	27.84%	28.13%	26.23%	32.70%	30.55%	30.80%	30.92%	30.98%	31.31%	31.42%	30.67%
Total Liabilities & Shareholders' Equity	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Company's data; Author's estimates

Appendix 12: *Forecasting assumptions Balance Sheet*

Field Name	Assumption	Methodology
ASSETS		
Current Assets		
Cash & Short-Term Investments (1)	Derived	Difference (1= 7-6-5-4-3)
Cash & Cash	Derived	Difference (2= 1-3)
Short-Term Investments	9,7% of sales	Based on 3 year historical average. Kept cosntant thereafter.
Loans & Receivables - Net - Short-Term(3)	28,15 days of sale	Based on 3 year historical average of receivable days. Kept cosntant thereafter.
Inventories - Total (4)	89,70 inventory days	Based on 5-year historical average inventory days; kept constant thereafter
Prepaid Expense-Short	20,99% of SG&A	Based on 5 year historical average. Kept constant thereafter
Assets held for sale / Discounted operating-short term (6)	0	Assumed nil ober forecast period
Total Current Assets (7)	Derived	Difference (7= 20-19)
Non-Current Assets(8)		
Investments - Long-Term(9)	Stable	Kept at last reported value
Investments in Associates and Unconsolidated Subsidiaries (10)	Growth linked to equity income	Previous year balance adjusted by projected equity income net of dividends received
Property, Plant & Equipment - Net - Total (11)	Derived	Difference (11= 12-15)
PPE Gross-Total(12)	Derived	Sum (12=13+14)
PPE and Landings (13)	41% of sales	Based on 3-year historical average; Kept constant thereafter
Right of use Tangible assets (14)	3.18% of sales	Based on 3-year historical average; Kept constant thereafter
Accumulated depreciation & Impairment	49% of PPE gross	Based on 3-year historical average; Kept constant thereafter
Other Non-Current Assets - Total (16)	26% of sales	Slightly above historical average to reflect expected increase in non-current operating assets
Goodwill/Cost in Excess of Assets Purchased - Net (17)	40.95% of sales	Based on 5-year historical average; kept constant thereafter
Trademarks with indefinitive lives(18)	Stable	Kept at last reported value
Total Non-Current Assets (19)	Derived	Sum (19=9+10+11+16+17+18)
Total Assets (20)	Derived	Sum (20=35+36)
Current Liabilities		
Trade Accounts Payable & Accruals - Short-Term (20)	Derived	Sum (21= 22+23)
Trade accounts &Trade Notes Payable (21)	110 payable days	Based on 3 year historical average of payable days. Kept cosntant thereafter.
Accrued Expense (22)	74,81% of SGA	Based on 5 year historical average. Kept constant thereafter
Short-Term Debt & Current Portion of Long-Term Debt	Derived	Sum(23=24+25)
Short term debt and Notes Payable (24)	9% of equity (declining)	Based on 3-year historical average; gradually reduced to 6% by 2032
Current portion of Long Term Debt including Capitalized Leases (25)	Historical average	Based on 3-year historical average; kept constant thereafter
Liabilities Held for Sale/Discontinued	0	Assumed nil over forecast period
Income Taxes - Payable - Short-Term (27)	30% of income taxes	Based on historical average, adjusted downward to reflect recent lower effective levels
Operating Lease Liabilities - Current Portion/Short-Term	Stable	Kept at last reported value
Other Current Liabilities -	0	Assumed nil over forecast period
Total Current Liabilities(30)	Derived	Sum (21= 22+23)
Non-Current Liabilities		
Debt - Long-Term - Total (31)	1.46x equity (declining)	Based on 3-year historical average; gradually reduced to 1.39x by 2032
Deferred Tax & Investment Tax Credits - Long-Term (32)	Stable	Kept at last reported value
Other Non-Current	Stable	Kept at last reported value
Total Non-Current Liabilities	Derived	Sum of all non-current liabilities components
Total Liabilities(35)	Derived	Soma
Shareholders' Equity		
Shareholders' Equity - Attributable to Parent Shareholders - Total (36)	Derived	Sum (36=37+38+41)
Common Stock - Treasury/Repurchased (37)	Share repurchase program	!eflects management guidance on share buybacks to offset dilution
Common Equity - Contributed (38)	Derived	Sum (38=39+40)
Common Stock -	Stable	Kept at last reported value
Common Stock - Additional Paid in	Stable	Kept at last reported value
Equity - Non-Contributed -	Derived	Sum (41=42+43)
Retained Earnings	Net income retention	Previous year balance plus net income minus dividends paid
Comprehensive Income -	Stable	Kept at last reported value
Minority Interest - Equity	Stable	Kept at last reported value
Total Shareholders' Equity - including Minority Interest &	Derived	Sum (45=36+44)
Total Liabilities &	Derived	Sum (46=45+35)

Source: Author's estimates

Appendix 13: *Financial Analysis Ratios*

	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Revenues Growth	-11.41%	17.09%	11.25%	6.39%	2.86%	1.87%	4.90%	4.22%	4.00%	3.69%	3.61%	3.46%	3.52%
Gross Profit Margin	59.31%	60.27%	58.14%	59.49%	61.06%	61.63%	60.70%	60.70%	60.70%	60.70%	60.70%	60.70%	60.70%
EBIT Margin	29.76%	28.86%	28.20%	28.95%	30.08%	31.34%	30.70%	30.70%	30.70%	30.70%	30.70%	30.70%	30.70%
Net profit Margin (ROS)	23.47%	25.28%	22.19%	23.42%	22.59%	27.34%	26.31%	25.88%	25.66%	25.44%	25.23%	25.02%	24.81%
Return on Assets (ROA)	8.87%	10.36%	10.29%	10.97%	10.57%	12.50%	12.42%	12.26%	12.27%	12.27%	12.16%	12.09%	12.21%
Return on Equity (ROE)	40.14%	42.48%	39.59%	41.30%	42.77%	40.74%	43.46%	42.42%	42.20%	42.04%	41.11%	40.63%	42.06%
Financial leverage	4.10	3.80	3.59	3.56	3.81	3.06	3.27	3.25	3.23	3.23	3.19	3.18	3.26
Leverage ratio	49.02%	45.32%	42.20%	43.05%	44.28%	43.40%	45.33%	45.30%	45.23%	45.19%	45.07%	45.07%	43.33%
Interest Coverage Ratio	6.84	11.78	13.75	8.68	8.55	9.08	8.08	8.08	8.08	8.08	8.08	8.08	8.08
Current Ratio	1.32	1.13	1.15	1.13	1.03	1.46	1.21	1.21	1.16	1.13	1.14	1.11	1.13
Quick Ratio	1.09	0.96	0.93	0.95	0.84	1.25	0.9900	0.9929	0.9442	0.9132	0.9195	0.8913	0.9059
Inventory days	88.74	81.14	85.84	87.12	94.18	87.79	89.70	89.70	89.70	89.70	89.70	89.70	89.70
Receivables days	34.76	33.16	29.60	27.20	27.68	23.13	28.15	28.15	28.15	28.15	28.15	28.15	28.15
Payables days	95.56	109.38	107.61	110.08	108.92	112.08	110.00	110.00	110.00	110.00	110.00	110.00	110.00
Operating Working Capital	690.0	1,325.0	-605.0	-846.0	-6,234.0	-6,233.0	744.85	225.31	222.53	213.42	216.47	215.43	226.43
Capital Expeditures/sales	-2.99%	-3.26%	-3.28%	-3.89%	-4.30%	-4.38%	-4.20%	-4.20%	-4.20%	-4.15%	-4.15%	-4.00%	-4.00%

Source: Company's data; Author's estimates

Gross margin = Gross profit/Revenues

EBIT margin = EBIT/Revenues

Net margin = Net income/Revenues

ROA = Net income/ Total assets

ROE = Net income/Equity

Financial Leverage= Total assets/ Shareholder's equity

Leverage Ratio = Total debt / Total assets

Interest Coverage Ratio= EBIT / Interest expenses

Current ratio = Current assets/Current liabilities

Quick ratio = (Current assets – Inventories)/Current liabilities

Receivable days = (Trade accounts receivables/Revenues) × 365

Inventory days = (Inventories/Cost of goods sold) × 365

Payable days = (Trade accounts payables/Cost of goods sold) × 365

Appendix 14: *Revenues Forecast Break Down*

Revenues were projected using a bottom-up approach, segmented geographically to reflect the volume and price/mix dynamics of each market. To ensure the model's consistency, it is assumed that there will be no acquisitions, and any significant investments will be included in Capex.

To ensure consistency in the projections, correlations and linear regressions were performed between each region's GDP growth and volume, as well as between regional inflation rates and price/mix behavior, using the IMF's projections for each variable as a basis. When correlations proved to be insignificant, historical averages and the specific dynamics of each market were applied.

In Latin America, volume growth is driven by demographic and structural factors. According to the IMF, population growth is projected at 0.6% per year, which should support increased consumption. Furthermore, TCCC's expansion in this region, driven by urbanization and growing demand for ready-to-drink bottled beverages, reinforces this trend.

In North America, since it is a mature market where volume growth is more limited, revenue growth is driven by price/mix strategies. Given its strong pricing power, TCCC is able to raise prices above inflation, as North Americans are willing to pay a premium for convenience, health-focused products, and other premium-positioned options.

In Asia Pacific, price/mix growth is driven by the increasing share of premium beverages in the portfolio. Regional preferences have shifted due to Westernization and rising disposable income. Additionally, regulatory factors such as the introduction of new sugar taxes are driving the transition to a healthier portfolio, leading to greater pricing power. In terms of volume, emerging markets in the region will see expansion driven by urbanization and the shift toward ready-to-drink beverages, an effect that will be partially offset by the stagnant performance of highly mature markets such as Japan.

	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F
Europe, Middle East & Africa													
Volume (Unit case)	-8%	12%	2%	0%	-1%	4.00%	0.43%	0.77%	0.53%	0.57%	0.38%	1.11%	1.11%
Mix/Price	-5%	6%	16%	19%	17%	2.00%	9.17%	6.50%	6.00%	6.00%	6.00%	6.00%	6.00%
Foreign Currency	-2%	1%	-14%	-12%	-16%	0.00%	0%	0%	0%	0%	0%	0%	0%
Acquisictions (M&A)	0%	0%	0%	0%	0%	-1%	0%	0%	0%	0%	0%	0%	0%
Total	-14%	19%	5%	7%	1%	5.00%	9.59%	7.27%	6.53%	6.57%	6.38%	7.11%	7.11%
Latin America													
Volume	-2%	6%	7%	6%	3%	-1.00%	1.20%	1.80%	2.40%	3.00%	3.60%	1.83%	2.31%
Mix/Price	2%	12%	17%	16%	21%	11.00%	7.66%	6.80%	6.64%	6.66%	6.69%	6.69%	6.69%
Foreign Currency	-14%	0%	-5%	-3%	-14%	-12%	0%	0%	0%	0%	0%	0%	0%
Acquisictions (M&A)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	-15%	18%	19%	19%	11%	-2.00%	8.86%	8.60%	9.04%	9.66%	10.29%	8.52%	8.99%
North America													
Volume	-7%	7%	1%	-1%	1%	-1.00%	-1.13%	-1.13%	-0.94%	-1.33%	-1.52%	-1.52%	-1.52%
Mix/Price	2%	7%	12%	8%	10%	5%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%
Foreign Currency	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	0%	0%
Acquisictions (M&A)	2%	0%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	-4%	15%	19%	7%	11%	4.00%	3.37%	2.87%	2.56%	1.67%	1.48%	1.48%	1.48%
Asia Pacific													
Volume	-10%	11%	8%	0%	2%	1.00%	1.00%	1.00%	1.30%	1.30%	1.30%	1.15%	1.18%
Mix/Price	-2%	-2%	3%	5%	2%	4%	2.00%	2.67%	3.00%	2.56%	2.74%	2.77%	2.69%
Foreign Currency	0%	3%	-9%	-5%	-3%	-3%	0%	0%	0%	0%	0%	0%	0%
Acquisictions (M&A)	0%	0%	0%	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%
Total	-11%	12%	3%	0%	2%	3.00%	3.00%	3.67%	4.30%	3.86%	4.04%	3.92%	3.86%
Bottling Investments													
Volume	-13%	11%	12%	6%	5%	0.00%	-3.00%	-3.00%	-3.00%	-3.00%	-3.50%	-4.00%	-4.00%
Mix/Price	2%	2%	7%	8%	5%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	1.50%	1.50%
Foreign Currency	-4%	2%	-9%	-7%	-2%	-2%	0%	0%	0%	0%	0%	0%	0%
Acquisictions (M&A)	-2%	0%	0%	-8%	-28%	-7%	0%	0%	0%	0%	0%	0%	0%
Total	-16%	15%	10%	0%	-21%	-7.00%	-1.00%	-1.00%	-1.50%	-1.50%	-2.00%	-2.50%	-2.50%
Revenues Growth	-10.13%	15.95%	12.69%	6.81%	3.46%	18.70%	4.90%	4.22%	4.00%	3.69%	3.61%	3.46%	3.52%

Source: Company's data; Author's estimates

Appendix 15: *WACC Computation*

WACC	
Cost Of Equity	7.16%
Weighted Cost of Equit	0.88
Cost of Debt	4.58%
Weighted cost of debt	0.12
Tax rate, Tt	25.83%
WACC	**6.72%**

Cost of equity	
Risk free rate (Rf)	4.18%
Levered Beta_KO	0.48
Equity Risk Premium (ERP)	6.17%
Cost Of Equity	**7.16%**

Betas	
B unlevered from industry	0.44
B Levered_KO	0.48
Coca-Cola´s D/V ratio	11.69%
Coca-Cola´s E/V	88.31%
Coca-Cola´s D/E	13.23%

Company	Market Cap (USD)	Debt - Total (USD)	Enterprise Value USD)	Beta Levered	D/V	E/V	D/E	Marginal Tax Rate	Beta Unlevered
PepsiCo Inc	195,461,270,440	44,306,000,000.00	240,748,096,140.00	0.43	0.1840	0.8119	0.2267	0.2583	0.36
Keurig Dr Pepper Inc	35,268,817,925	16,397,000,000.00	56,815,781,140.00	0.37	0.2886	0.6208	0.4649	0.2583	0.28
Heineken NV	46,424,468,422	17,650,895,537.84	66,463,571,623.58	0.52	0.2656	0.6985	0.3802	0.258	0.41
Unilever PLC	148,974,609,389	31,737,239,879.90	190,394,887,885.30	0.49	0.1667	0.7825	0.2130	0.25	0.42
Danone SA	61,527,947,728	14,722,020,913.14	66,694,179,785.60	0.42	0.2207	0.9225	0.2393	0.2583	0.36
Nestle SA	252,826,816,818	70,061,728,395.06	295,481,738,580.65	0.97	0.2371	0.8556	0.2771	0.1965	0.79
Monster Beverage Corp	68,127,689,392	378,200,000.00	70,018,933,430.00	0.48	0.0054	0.9730	0.0056	0.2583	0.47
Average	0					0.9265	0.2259		**0.44**

Equity Risk Premium, ERP				
Region	Revenues (€)	(% of Sales)	ERP	Weighted ERP
EMEA	8,122	20.95%	8.31%	1.74%
North America	18,649	48.09%	4.33%	2.08%
Latin America	6,459	16.66%	9.15%	1.52%
Asia Pacific	5,546	14.30%	5.72%	0.82%
Total	38,776	1		**6.17%**

Equity Rik Premium by Region, ERP	
Africa	12.64%
Asia	**5.72%**
Central and South America	9.15%
North America	**4.33%**
Western Europe	5.45%
Eastern Europe	7.73%
Europe	6.59%
Australia & New Zealand	4.33%
Caribbean	12.43%
Middle East	6.43%
EMEA	**8.31%**
Latin America	**9.15%**

The Coca Cola Company	
Share Price $ (31/12/25)	69.91
N° of Shares Outstanding (K)	4,302
Marginal Rax Rate	25.83%

Capital Structure	
Market Value of Debt	39,794.54
Market Value of Equity	300,752.82
Total	340,547.36

Cost of Debt	
Credit Rating of TCCC	Aaa/AAA
Interest Coverage Ratio	8.55
Default Spread	0.40%
Risk free rate (rf)	4.18%
Cost Of Debt	**4.58%**

Spread	Rate	Spread	Rate
19%	D2/D	1.38%	Ba1/BB+
16%	C2/C	1.11%	Baa2/BBB
12.61%	Ca2/CC	0.89%	A3/A-
8.85%	Caa/CCC	0.78%	A2/A
5.09%	B3/B-	0.70%	A1/A
3.21%	B2/B	0.55%	Aa2/AA
2.75%	B1/B+	**0.40%**	**Aaa/AAA**
1.84%	Ba2/BB		

Market Value of Debt	
Book Value of debt	45,492
Interest Expense	1,050.00
Cost Of Debt	4.58%
Maturity (Average)	6.49
Market Value of Debt	39,794.54

Debt by Maturity Date	
Less than 1 year	2,147.00
1 to 5 years	12,985.00
More than 5 years	29,390.00
Total	44,522.00

Company	Market Cap (USD)	Debt - Total (USD)	Enterprise Value USD)	Beta Levered	D/V	E/V	D/E	Marginal Tax Rate	Beta Unlevered
PepsiCo Inc	195,461,270,440	44,306,000,000.00	240,748,096,140.00	0.43	0.1840	0.8119	0.2267	0.2583	0.36
Keurig Dr Pepper Inc	35,268,817,925	16,397,000,000.00	56,815,781,140.00	0.37	0.2886	0.6208	0.4649	0.2583	0.28
Heineken NV	46,424,468,422	17,650,895,537.84	66,463,571,623.58	0.52	0.2656	0.6985	0.3802	0.258	0.41
Unilever PLC	148,974,609,389	31,737,239,879.90	190,394,887,885.30	0.49	0.1667	0.7825	0.2130	0.25	0.42
Danone SA	61,527,947,728	14,722,020,913.14	66,694,179,785.60	0.42	0.2207	0.9225	0.2393	0.2583	0.36
Nestle SA	252,826,816,818	70,061,728,395.06	295,481,738,580.65	0.97	0.2371	0.8556	0.2771	0.1965	0.79
Monster Beverage Corp	68,127,689,392	378,200,000.00	70,018,933,430.00	0.48	0.0054	0.9730	0.0056	0.2583	0.47
Total	0					0.9265	0.2259		0.44

Source: Company's data; Author's estimates; LSEG WS

Key assumptions under the WACC estimation:

All the inputs used in WACC calculation are based on the most recent financial data available (31/12/2025), ensuring consistency with the valuation assumptions date.

The number of shares outstanding is assumed to remain broadly stable over time, as share repurchase programs are expected to offset dilution from stock-based compensation, in line with the company's capital allocation strategy.

The equity risk premium, ERP, is based on data from Damoradan, according to regional weight derived from TCCC's geographic revenues distribution to be aligned with risk exposure and operating footprint.

The levered beta is estimated using a bottom-up approach, based on a peer group of comparable companies from beverage and consumer staples. Peer betas are unlevered and relevered using the Company's capital structure and marginal tax rate, capturing both operational and financial risk.

The market value of equity is calculated using the share price at the valuation date multiplied by the number of outstanding shares.

The market value of debt is estimated based on available financial data, assuming that the book value of debt is a proxy in absence of detailed market pricing information.

The cost of debt is computed by adding a default spread, consistent with the Company credit rating, and the risk-free rate. The default spread is sourced from Damodaran, while the risk free is the US 10-year bond yield.

A marginal tax rate of 25.83% is consistent with the methodology recommended by Damodaran, using the marginal corporate tax rate of the country in which the company is based.

Appendix 16: *DCF Assumptions*

Assumptions	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F	FY 2032F	Terminal Assumptions
Revenues Growth	0.049	0.0422	0.04	0.0369	0.0361	0.0346	0.0352	0.0304
Gross Profit Margin	0.607	0.607	0.607	0.607	0.607	0.607	0.607	0.607
EBIT Margin	0.307	0.307	0.307	0.307	0.307	0.307	0.307	0.307
Tax Rate	0.21	0.2214	0.2271	0.2329	0.2386	0.2443	0.25	0.25
Capex (% of sales)	4.20%	4.20%	4.20%	4.15%	4.15%	4.00%	4.00%	
Growth Rate								0.0304
ROIC								0.1835
Reinvestment rate								0.1657
WACC								0.0672

Reinvestment rate is defined as (Net CapEx + ΔWorking Capital) / NOPAT and is aligned with the terminal growth rate through the relation g = ROIC × Reinvestment rate.

Appendix 17: *TCCC'S Relative Valuation*

Multiple	TCCC Metric	Peer Metric	Implied Share Price ($)
P/E	2.96	26.18	77.49
P/BV	34,275.00	9.93	79.11
EV/EBITDA	15,230.00	18.78	73.39
Average			**76.66**

Peers

Identifier	Company Name	Debt-to-Equity Ratio	Payout Ratio	Retention Ratio	ROE	G	Market Capitalization
KO	Coca-Cola Co	1.69	0.67	0.33	0.47	0.16	303478504014.75
PEP.OQ	PepsiCo Inc	2.44	1.06	-0.06	0.57	-0.03	195461270439.90
KDP.OQ	Keurig Dr Pepper Inc	0.68	0.79	0.21	0.11	0.02	35268817925.00
HEIN.AS	Heineken NV	0.76	0.57	0.43	0.14	0.06	46424468421.88
ULVR.L	Unilever PLC	1.36	0.80	0.20	0.29	0.06	148974609388.57
DANO.PA	Danone SA	0.80	0.75	0.25	0.14	0.04	61527947727.68
DGE.L	Diageo PLC	1.85	0.95	0.05	0.35	0.02	50574091889.95
NESN.S	Nestle SA	1.73	0.76	0.24	0.35	0.08	252826816817.56
MNST.OQ	Monster Beverage Corp	0.06	-	1.00	0.29	0.29	68127689391.68

Relative valuation is performed by applying the median multiples of the peer group (PepsiCo and Monster Beverage) to the corresponding financial metrics of The Coca-Cola Company.

The P/E, P/BV, and EV/EBITDA multiples are multiplied by TCCC's forward-looking metrics: EPS, BV, and EBITDA. This approach ensures consistency with market expectations and reduces the impact of temporary fluctuations.

For equity-based multiples (P/E and P/BV), the implied share price is obtained directly by applying the median multiple of the peer group to the respective per-share metric.

For the EV/EBITDA multiple, the implied enterprise value is first calculated and then adjusted for net debt (total debt minus cash and cash equivalents) to obtain the equity value. The resulting equity value is then divided by the number of outstanding shares to obtain the implied price per share.

Finally, the target price per share is determined as the average of the values obtained from the selected multiples, to mitigate the effect of potential distortions associated with any single valuation metric.