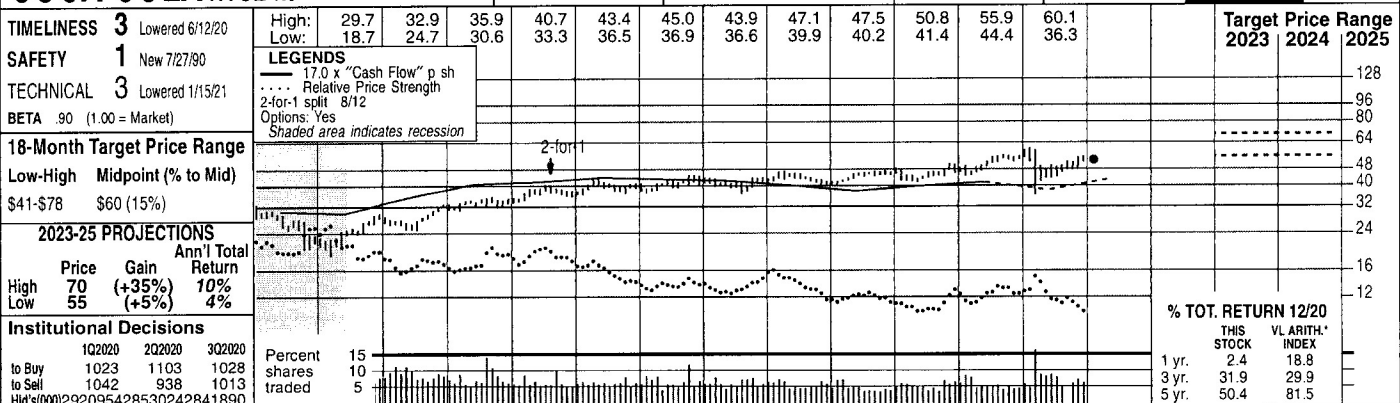


# COCA-COLA NYSE-KO

RECENT PRICE **52.76** P/E RATIO **26.1** (Trailing: 27.6 Median: 20.0) RELATIVE P/E RATIO **1.24** DIVD YLD **3.2%** VALUE LINE



Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC 23-25	
Price	4.56	4.88	5.20	6.22	6.91	6.73	7.66	10.29	10.74	10.64	10.54	10.24	9.76	8.31	7.46	8.71	7.70	8.60	Sales per sh	10.55
Gain	1.23	1.29	1.40	1.54	1.79	1.75	2.09	2.41	2.46	2.58	2.53	2.49	2.37	2.23	2.35	2.45	2.25	2.55	"Cash Flow" per sh	3.45
Return	1.03	1.09	1.19	1.29	1.51	1.47	1.75	1.92	1.97	2.08	2.04	2.00	1.91	1.91	2.08	2.11	1.90	2.10	Earnings per sh A	2.95
Div'd	.50	.56	.62	.68	.76	.82	.88	.94	1.02	1.12	1.22	1.32	1.40	1.48	1.56	1.60	1.64	1.68	Div'ds Decl'd per sh B	2.00
Cap'l Spndg	.16	.19	.30	.36	.43	.43	.48	.65	.62	.58	.55	.59	.53	.39	.32	.48	.40	.45	Cap'l Spending per sh	.55
Book Value	3.31	3.45	3.65	4.69	4.43	5.38	6.76	6.99	7.34	7.54	6.94	5.91	5.38	4.01	3.98	4.43	4.75	4.85	Book Value per sh C	5.00
Common Shs	4818.7	4738.0	4636.0	4636.0	4624.0	4606.0	4584.0	4526.0	4469.0	4402.0	4366.0	4324.0	4288.0	4259.0	4268.0	4280.0	4295.0	4275.0	Common Shs Outst'g D	4150.0
Avg Ann'l P/E	22.6	19.7	18.5	21.0	17.8	16.6	16.2	17.4	18.8	19.1	20.0	20.6	22.8	23.2	21.9	24.1	26.0		Avg Ann'l P/E Ratio	21.0
Relative P/E	1.19	1.05	1.00	1.11	1.07	1.11	1.03	1.09	1.20	1.07	1.05	1.04	1.20	1.17	1.18	1.31	1.30		Relative P/E Ratio	1.15
Avg Ann'l Div'd	2.2%	2.6%	2.8%	2.5%	2.8%	3.4%	3.1%	2.8%	2.8%	2.8%	3.0%	3.2%	3.2%	3.3%	3.4%	3.1%	3.3%		Avg Ann'l Div'd Yield	3.2%

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC 23-25	
Cap'tal	35123	46554	48017	46854	45998	44294	41863	35410	31856	37266	33000	36750	43750						Sales (\$mill)	43750
Total Debt	31.4%	27.9%	26.6%	28.3%	28.1%	27.9%	28.1%	30.9%	34.2%	31.6%	32.0%	33.5%	35.5%						Operating Margin	35.5%
LT Debt	1443.0	1954.0	1982.0	1977.0	1976.0	1970.0	1787.0	1260.0	1086.0	1365.0	1550	1700	1850						Depreciation (\$mill)	1850
Total Int.	8144.0	8932.0	9019.0	9374.0	9091.0	8797.0	8354.0	8240.0	8935.0	9104.0	8170	9110	12435						Net Profit (\$mill)	12435
Interest Coverage	22.7%	23.9%	23.1%	23.0%	22.5%	22.5%	22.5%	24.0%	18.7%	19.4%	19.5%	20.0%	20.0%						Income Tax Rate	20.0%
Pension Assets	23.2%	19.2%	18.8%	20.0%	19.8%	19.9%	20.0%	23.3%	28.0%	24.4%	24.8%	24.8%	28.4%						Net Profit Margin	28.4%
Oblig.	3071.0	1214.0	2507.0	3493.0	612.0	6465.0	7478.0	9351.0	1411.0	6562	1500	6750	2500						Working Cap'l (\$mill)	2500
Pfd Stock	14041	13656	14736	19154	19063	28407	29684	31182	25364	27516	35000	32750	32500						Long-Term Debt (\$mill)	32500
None	31003	31635	32790	33173	30320	25554	23062	17072	16981	18981	20310	20780	20650						Shr. Equity (\$mill)	20650
Common Stock	18.5%	20.2%	19.4%	18.3%	18.7%	16.5%	16.3%	17.6%	21.8%	20.2%	15.5%	18.0%	24.0%						Return on Total Cap'l	24.0%
4,297,000,000	26.3%	28.2%	27.5%	28.3%	30.0%	34.4%	36.2%	48.3%	52.6%	48.0%	40.0%	44.0%	60.0%						Return on Shr. Equity	60.0%
\$227 billion	13.1%	14.6%	13.5%	13.3%	12.3%	12.0%	10.0%	11.2%	13.5%	11.9%	5.0%	8.5%	19.0%						Retained to Com Eq	19.0%
(Large Cap)	50%	48%	51%	53%	59%	65%	72%	77%	74%	75%	87%	81%	68%						All Div'ds to Net Prof	68%

**CAPITAL STRUCTURE as of 9/25/20**  
 Total Debt \$52.867 bill. Due in 5 Yrs. \$28.9 bill.  
 LT Debt \$39.502 bill. Total Int. \$1,150.0 mill.  
 (Total interest coverage: 11.8x) (68% of Cap'l)

**Pension Assets-12/19** \$8.1 bill. **Oblig.** \$8.8 bill.

**Pfd Stock** None

**Common Stock** 4,297,000,000 shs.

**MARKET CAP: \$227 billion (Large Cap)**

**CURRENT POSITION 2018 2019 9/25/20 (\$MILL.)**

Cash Assets	15964	11175	21128
Receivables	3396	3971	3827
Inventory (Avg Cst)	2766	3379	3254
Other	8508	1886	2191
Current Assets	30634	20411	30410
Accts Payable	2498	3804	N/A
Debt Due	18191	15247	13365
Other	8534	7922	13526
Current Liab.	29223	26973	26891

**BUSINESS:** The Coca-Cola Company is the world's largest non-alcoholic beverage company. Markets over 500 beverage brands through a network of company-owned and independent bottlers/distributors, wholesalers, and retailers. Leading company/licensed brands include Coca-Cola, Diet Coke, Sprite, Fanta, Fresca, Dasani, glaceau vitaminwater, Powerade, and Minute Maid.

Int'l markets accounted for 69% of 2019 net sales; Advertising expenses, 11.4% of 2019 revenues. Has about 86,250 employees. Directors and officers own 1.0% of stock; Berkshire Hathaway, 9.3%; Vanguard, 7.4%; BlackRock, 6.4% (3/20 Proxy). Chairman & CEO: James Quincey, Inc. DE. Address: One Coca-Cola Plaza, Atlanta, GA 30313. Tel.: 404-676-2121. Web: www.coca-cola.com.

**The Coca-Cola Company will be happy to turn the page on 2020.** We expect that results for the full year will show earnings declining 10%-12% from 2019. The downturn reflects weakness in away-from-home channels, which typically account for about half of Coke's business, but have been hammered by lockdowns and other social-distancing efforts implemented around the world to slow the spread of the pandemic. Trends have improved significantly from last spring, though unit case volumes were still declining at a low single-digit rate in the early stages of the December quarter. And we suspect the recovery may well have stalled in the closing months of 2021, as the health crisis caused governments in many areas to halt or partially reverse efforts to reopen the economy.

**Earnings should begin to rebound in the new year.** Unit case volumes, which were down 7% through the first nine months of 2019, ought to continue to bounce back, as wider distribution of vaccines hopefully allows for an easing in restrictions on away-from-home venues, such as restaurant dining rooms and sporting events. The pace of the bottom-line recovery will likely be slowed, to a degree, by increases in discretionary spending, particularly early in 2021, though management aims to fund these efforts at least partly from savings from anticipated reductions in the workforce. In all, share net is likely to reach \$2.10 this year, up 12% from last year's likely final tally and about flat with 2019.

**The company is moving to streamline its organizational structure.** Coke's downsizing from 17 business units to nine operating units is aimed at creating a flatter, better-interconnected business model. The beverage giant also plans to reduce its brand portfolio by more than 50%, though this is expected to represent less than a 1% headwind on revenues. These changes ought to support faster decision making, while also allowing for some reductions in staffing.

**Conservative investors may want to take a closer look here.** The stock is just an Average selection for the year ahead, but offers a healthy dividend yield and gets top marks for Price Stability.

Robert M. Greene January 15, 2021

Year	2017	2018	2019	2020	2021	Full Year
Cal-endar	9118	9702	9078	7512	35410	
Mar.Per	7626	8927	8245	7058	31856	
Jun.Per	8694	9997	9507	9068	37266	
Sep.Per	8601	7150	8652	8597	33000	
Dec.Per	8575	9775	9400	9000	36750	

Year	2017	2018	2019	2020	2021	Full Year
Cal-endar	.43	.59	.50	.39	1.91	
Mar.Per	.46	.61	.58	.43	2.08	
Jun.Per	.48	.63	.56	.44	2.11	
Sep.Per	.51	.41	.55	.43	1.90	
Dec.Per	.46	.58	.59	.47	2.10	

Year	2017	2018	2019	2020	2021	Full Year
Cal-endar	..	.37	.37	.74	1.48	
Mar.31	..	.39	.39	.78	1.56	
Jun.30	..	.40	.40	.80	1.60	
Sep.30	..	.41	.41	.82	1.64	
Dec.31	..	..	..	..	..	