

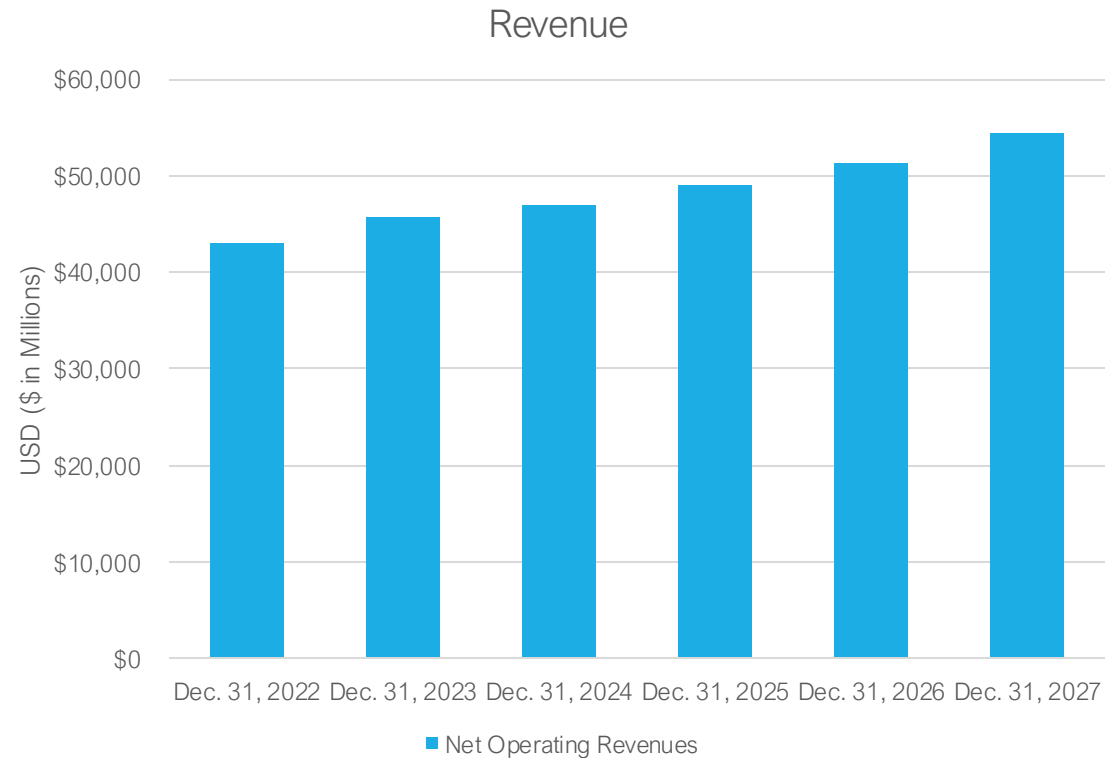
The Coca Cola Company (\$KO)

INCOME
STATEMENT
REVIEW AND 2026-
2027 FORECASTS

Revenue Trends

- Net Operating Revenues grew from \$43.0B (2022) → \$48.9B (2025), with forecasts of \$54.5B by 2027.
- YoY growth: range of 2.9%–6%.
- Blue numbers represent hypothetical values to forecast prices.

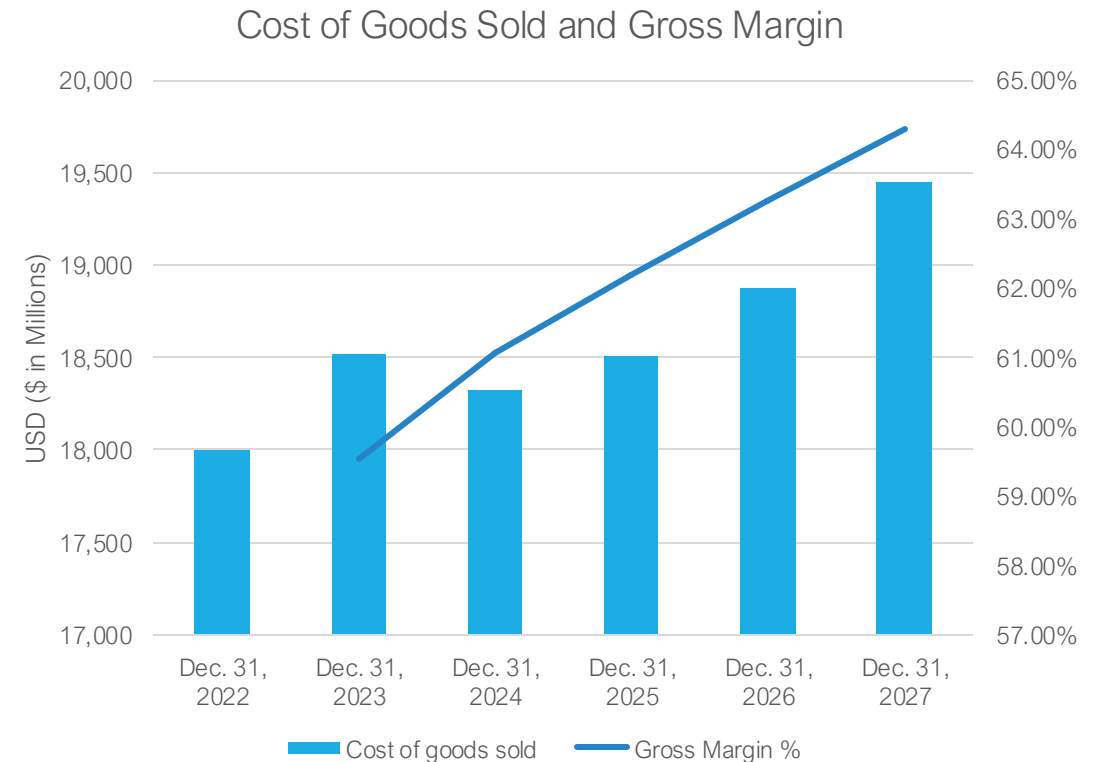
CONSOLIDATED STATEMENTS OF INCOME - USD (\$) \$ in Millions	12 Months Ended					
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2026	Dec. 31, 2027
Net Operating Revenues	\$43,004	\$45,754	\$47,061	\$48,943	\$51,391	\$54,474
YoY % Growth		6.39%	2.86%	4.00%	5.00%	6.00%
Cost of goods sold	18,000	18,520	18,324	18,507	18,877	19,444
YoY % Growth/Decline		2.89%	-1.06%	1.00%	2.00%	3.00%
Total Gross Profit	25,004	27,234	28,737	30,436	32,513	35,030
Gross Margin %		59.52%	61.06%	62.19%	63.27%	64.31%



Costs of Goods Sold and Gross Profit

- COGS relatively stable at ~\$18B–19.4B.
- Gross Profit improving from \$25.0B (2022) → \$35.0B (2027).
- Gross Margin expansion: 59.5% (2022) → 64.3% (2027).

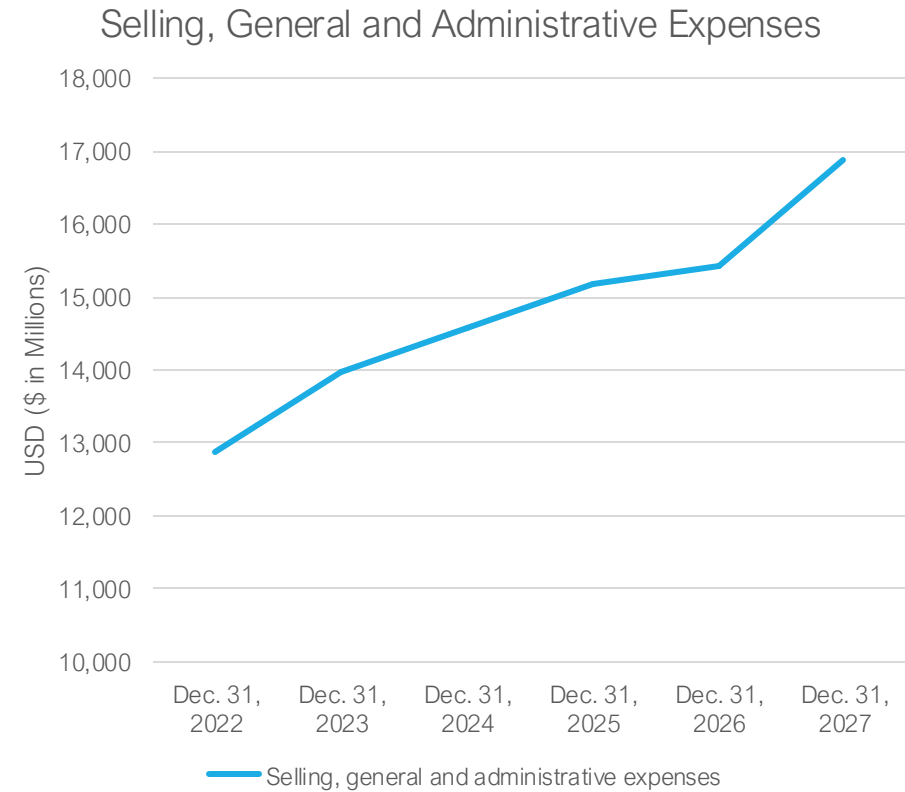
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SG&A Expenses

- SG&A stable at ~29–31% of sales.
- Increasing in absolute terms from \$12.9B (2022) → \$16.9B (2027).

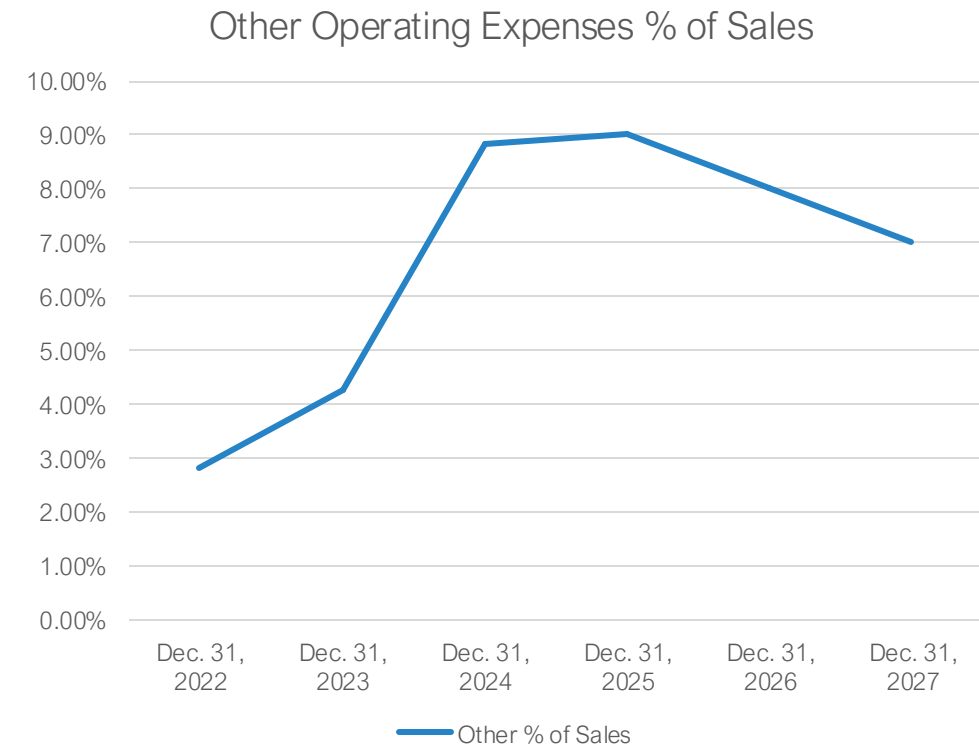
CONSOLIDATED STATEMENTS OF INCOME - USD (\$) \$ in Millions						
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2026	Dec. 31, 2027
Selling, general and administrative expenses	12,880	13,972	14,582	15,172	15,417	16,887
% of Sales	29.95%	30.54%	30.99%	31.00%	30.00%	31.00%
Other operating charges	1,215	1,951	4,163	4,405	4,757	5,090
% of Sales	2.83%	4.26%	8.85%	9.00%	8.00%	7.00%
Total Operating Expenses	14,095	15,923	18,745	19,577	20,174	21,977
% of Sales	32.78%	34.80%	39.83%	40.00%	39.26%	40.34%



Other Operating Expenses

- Increased from 2.8% of sales (2022) → 8.9% (2024).
- Forecast moderation to 7.0% by 2027.
- Ideally should trend downward for margin improvement.

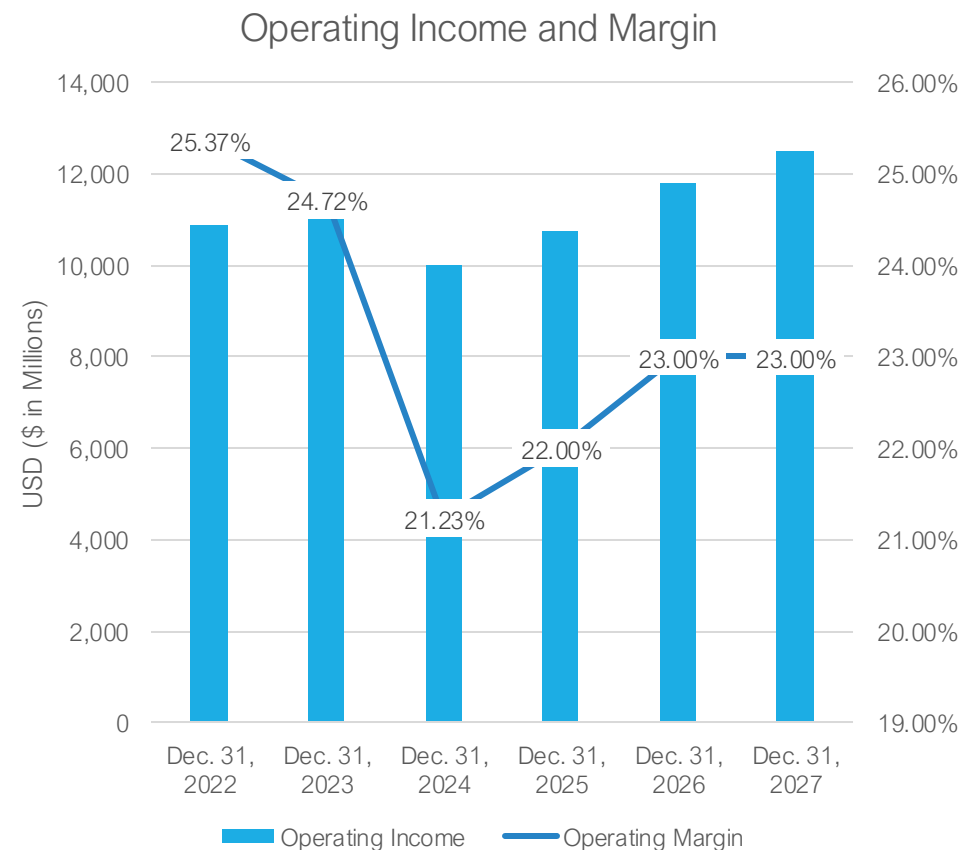
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Total Operating Expenses	14,095	15,923	18,745	19,577	20,174	21,977
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Operating Income and Margin

- Decline in 2024 (down to \$9.99B, 21.2% margin).
- Recovery expected: \$12.5B (2027), 23% margin.

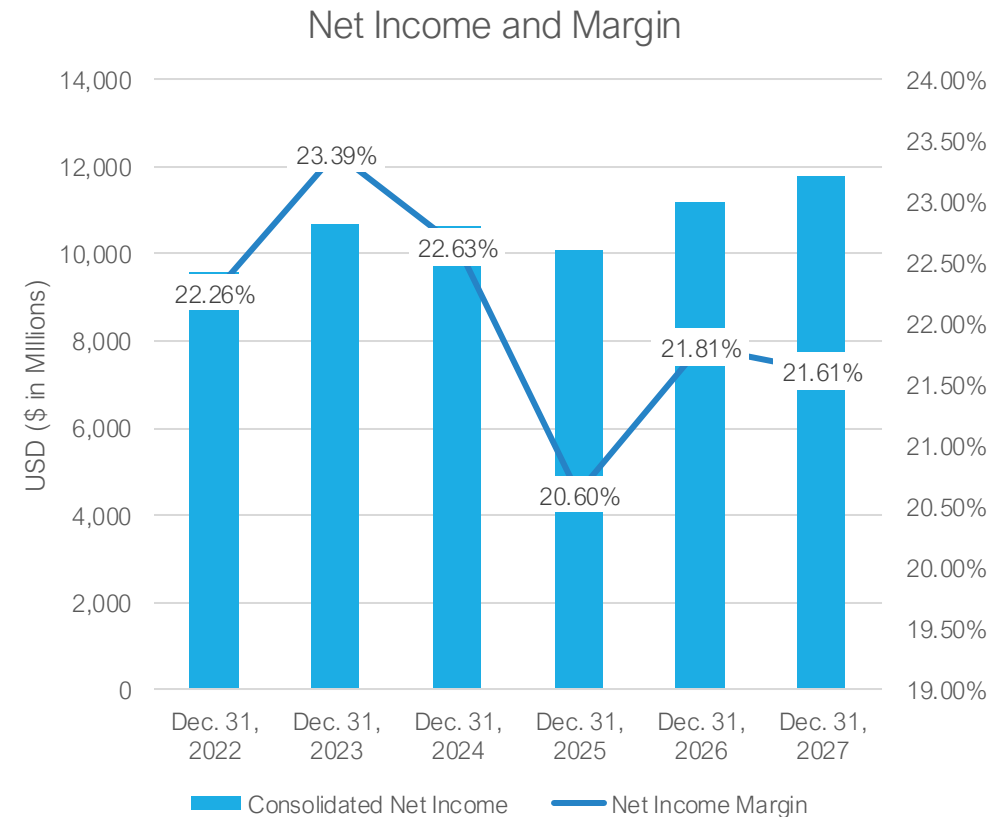
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Operating Income	10,909	11,311	9,992	\$10,768	\$11,820	\$12,529
Operating Margin	25.37%	24.72%	21.23%	22.00%	23.00%	23.00%
Interest income	449	907	988	781	892	887
Interest expense	882	1,527	1,656	1,355	1,513	1,508
Equity income (loss) — net	1,472	1,691	1,770	1,644	1,702	1,705
Other income (loss) — net	-262	570	1,992	767	1,110	1,289
Income Before Income Taxes	11,686	12,952	13,086	\$12,605	\$14,011	\$14,903
Income taxes	2,115	2,249	2,437	\$2,521	\$2,802	\$3,130
Tax Rate	18.10%	17.36%	18.62%	20.00%	20.00%	21.00%
Consolidated Net Income	9,571	10,703	10,649	\$10,084	\$11,208	\$11,773
Net Income Margin	22.26%	23.39%	22.63%	20.60%	21.81%	21.61%
Net Income Growth YoY%		11.83%	-0.50%	-5.31%	11.15%	5.04%



Net Income and Profitability

- Net Income: \$9.6B (2022) → \$11.8B (2027).
- Margins stable: ~21–23%.
- Volatility: 2024 dip (-0.5% growth, margin 22.6%) before forecast recovery.

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Net Income Margin	22.26%	23.39%	22.63%	20.60%	21.81%	21.61%
Net Income Growth YoY%		11.83%	-0.50%	-5.31%	11.15%	5.04%



Forecast and Key Takeaways

- Revenue growth remains steady (Compound Annual Growth Rate of ~4.8%).
- Gross margin expansion shows efficiency improvements.
- SG&A consistent, Other Operating Expenses needs monitoring.
- Net Income expected to grow ~5% by 2027.
- *Conclusion: Coca-Cola maintains strong profitability with moderate top-line growth; operational efficiency will be key to sustaining margins.*