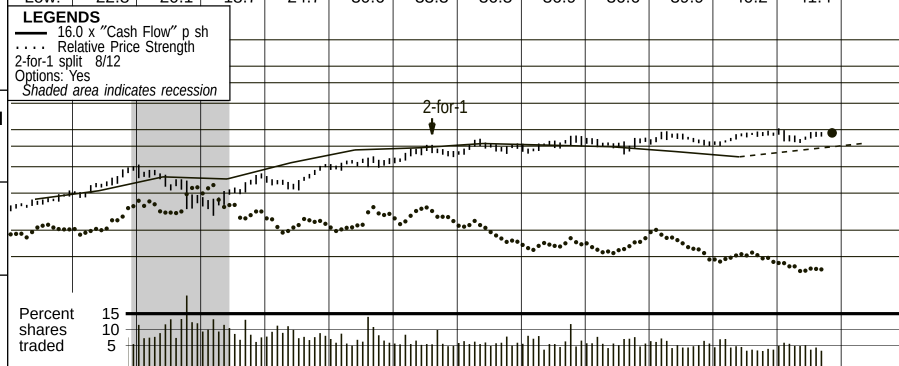
COCA-COLA NYSE-KO

RECENT PRICE **46.39** | P/E RATIO **21.8** (Trailing: 23.5 / Median: 19.0) | RELATIVE P/E RATIO **1.22** | DIV'D YLD **3.5%** | VALUE LINE

TIMELINESS 4 Raised 10/5/18
SAFETY 1 New 7/27/90
TECHNICAL 3 Lowered 10/19/18
BETA .70 (1.00 = Market)

High:	32.2	32.8	29.7	32.9	35.9	40.7	43.4	45.0	43.9	47.1	47.5	48.6
Low:	22.8	20.1	18.7	24.7	30.6	33.3	36.5	36.9	36.6	39.9	40.2	41.4

Target Price Range
2021 | 2022 | 2023



2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+30%)	10%
Low	50	(+10%)	6%

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	15	1	0	0	0	1	3
to Sell	0	3	0	2	0	0	0	1	2

Institutional Decisions

	4Q2017	1Q2018	2Q2018
to Buy	746	715	733
to Sell	750	997	957
Hld's(000)	2819704	2808241	2795870

% TOT. RETURN 9/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	6.2	13.0
3 yr.	27.1	54.8
5 yr.	43.2	62.8

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
3.96	4.31	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	**7.55**	**7.85**	Sales per sh	**9.20**
.99	1.16	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	**2.40**	**2.60**	"Cash Flow" per sh	**3.20**
.83	.98	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	**2.10**	**2.25**	Earnings per sh A	**2.80**
.40	.44	.50	.56	.62	.68	.76	.82	.88	.94	1.02	1.12	1.22	1.32	1.40	1.48	**1.56**	**1.66**	Div'ds Decl'd per sh B■	**1.95**
.17	.17	.16	.19	.30	.36	.43	.43	.48	.65	.62	.58	.55	.59	.53	.39	**.45**	**.40**	Cap'l Spending per sh	**.45**
2.39	2.89	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	**4.20**	**4.25**	Book Value per sh C	**4.60**
4942.0	4883.1	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	**4225.0**	**4175.0**	Common Shs Outst'g D	**4025.0**
30.2	22.6	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	*Bold figures are*		Avg Ann'l P/E Ratio	**20.0**
1.65	1.29	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	1.16	*Value Line*		Relative P/E Ratio	**1.10**
1.6%	2.0%	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%	*estimates*		Avg Ann'l Div'd Yield	**3.5%**

CAPITAL STRUCTURE as of 6/29/18
Total Debt $46.801 bill. **Due in 5 Yrs.** $31.4 bill.
LT Debt $28.063 bill. **Total Int.** $875.0 mill.
(Total interest coverage: 13.3x)
(60% of Cap'l)

Pension Assets-12/17 $8.8 bill. **Oblig.** $9.5 bill.

Pfd Stock None

Common Stock 4,253,000,000 shs.

MARKET CAP: $197 billion (Large Cap)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		21-23
31944	30990	35123	46554	48017	46854	45998	44294	41863	35410	**32000**	**32750**	Sales ($mill)	**37000**
30.3%	30.5%	31.4%	27.9%	26.6%	28.3%	28.1%	27.9%	28.1%	30.9%	**36.5%**	**38.0%**	Operating Margin	**38.5%**
1228.0	1236.0	1443.0	1954.0	1982.0	1977.0	1976.0	1970.0	1787.0	1260.0	**1175**	**1225**	Depreciation ($mill)	**1350**
7050.0	6824.0	8144.0	8932.0	9019.0	9374.0	9091.0	8797.0	8354.0	8240.0	**9035**	**9660**	Net Profit ($mill)	**11600**
22.2%	22.8%	22.7%	23.9%	23.1%	23.0%	22.5%	22.5%	22.5%	24.0%	**21.0%**	**21.0%**	Income Tax Rate	**21.0%**
22.1%	22.0%	23.2%	19.2%	18.8%	20.0%	19.8%	19.9%	20.0%	23.3%	**28.2%**	**29.5%**	Net Profit Margin	**31.3%**
d812.0	3830.0	3071.0	1214.0	2507.0	3493.0	612.0	6465.0	7478.0	9351.0	**10000**	**9500**	Working Cap'l ($mill)	**9250**
2781.0	5059.0	14041	13656	14736	19154	19063	28407	29684	31182	**30500**	**30500**	Long-Term Debt ($mill)	**31500**
20472	24799	31003	31635	32790	33173	30320	25554	23062	17072	**17670**	**17670**	Shr. Equity ($mill)	**18495**
30.6%	23.4%	18.5%	20.2%	19.4%	18.3%	18.7%	16.5%	16.3%	17.6%	**19.5%**	**21.0%**	Return on Total Cap'l	**24.0%**
34.4%	27.5%	26.3%	28.2%	27.5%	28.3%	30.0%	34.4%	36.2%	48.3%	**51.0%**	**54.5%**	Return on Shr. Equity	**62.5%**
17.2%	12.2%	13.1%	14.6%	13.5%	13.3%	12.3%	12.0%	10.0%	11.2%	**13.0%**	**14.5%**	Retained to Com Eq	**19.5%**
50%	56%	50%	48%	51%	53%	59%	65%	72%	77%	**74%**	**73%**	All Div'ds to Net Prof	**69%**

CURRENT POSITION ($MILL.)

	2016	2017	6/29/18
Cash Assets	22201	20675	19354
Receivables	3856	3667	4565
Inventory (Avg Cst)	2675	2655	2881
Other	5278	9548	9224
Current Assets	34010	36545	36024
Accts Payable	2682	2288	*2500*
Debt Due	16025	16503	18738
Other	7825	8403	*10160*
Current Liab.	26532	27194	31398

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Sales	5.5%	-.5%	*-.5%*
"Cash Flow"	5.5%	.5%	*5.0%*
Earnings	5.0%	.5%	*6.5%*
Dividends	8.5%	8.0%	*5.5%*
Book Value	2.5%	-6.0%	*-1.5%*

Cal-endar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2015	10711	12156	11427	10000	44294
2016	10282	11539	10633	9409	41863
2017	9118	9702	9078	7512	35410
2018	7626	8927	***8100***	***7347***	***32000***
2019	***7500***	***9000***	***8550***	***7700***	***32750***

Cal-endar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2015	.48	.63	.51	.38	2.00
2016	.45	.60	.49	.37	1.91
2017	.43	.59	.50	.39	1.91
2018	.47	.61	***.56***	***.46***	***2.10***
2019	***.50***	***.67***	***.59***	***.49***	***2.25***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	- -	.305	.305	.61	1.22
2015	- -	.33	.33	.66	1.32
2016	- -	.35	.35	.70	1.40
2017	- -	.37	.37	.74	1.48
2018	- -	.39	.39	.39	

BUSINESS: The Coca-Cola Company is the world's largest beverage company. Markets over 500 nonalcoholic 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 58% of 2017 net sales; Advertising expenses, 11.2% of 2017 revenues. Has about 61,750 employees. Directors and officers own 1.5% of stock; Berkshire Hathaway, 9.4%; Vanguard, 6.7%; BlackRock, 5.7% (3/18 Proxy). CEO: James Quincey. Inc.: DE. Address: One Coca-Cola Plaza, Atlanta, GA 30313. Tel.: 404-676-2121. Web: www.coca-cola.com.

Coca-Cola is looking to make a splash in a hot market. In August, the company agreed to buy Costa Limited from Whitbread plc for $5.1 billion. Costa is the leading coffee company in the United Kingdom and has a growing presence in China and many other markets. Currently, Costa generates the majority of revenues from its chain of roughly 3,800 coffee shops. Coke, though, has emphasized that it views the acquisition not as an entry into retail, but as a platform for growth in the broader, fast-growing coffee category. The addition would likely boost the top line by about $1.7 billion and be slightly accretive to earnings (excluding any items related to purchase accounting) in the first year. The transaction, though, won't be factored into our sales and earnings presentation until its completion, which figures to take place in the first half of 2019.

Earnings appear to be breaking out of a protracted lull. The top line continues to be weighed down by last year's refranchising transactions across the company's bottling system. Still, the beverage giant looks to be making solid progress on many other key operating metrics. Organic revenues, for instance, rose 5% in the first half of 2018. Pricing and mix contributed about 2% to this growth, while global volumes advanced 3%, the strongest pace in five years. Meanwhile, aided by ongoing productivity initiatives, underlying operating income has been pushing ahead at a high single-digit clip, and this trend seems likely to continue over the rest of this year. In all, we look for share net to rise 9%-11% in 2018, the company's first positive comparison since 2013, and another 6%-8% next year.

This stock is best suited for conservative investors. It carries our Highest rank (1) for Safety, while also offering a dividend yield that is roughly 150 basis point higher than the *Value Line* median. Too, assuming earnings resume a more respectable earnings growth trajectory to 2021-2023, this equity ought to deliver long-term total returns that are competitive with other blue chips. That said, untimely KO shares, which have been trading sideways for several years, probably won't quicken the pulse of momentum-oriented accounts.

Robert M. Greene *October 19, 2018*

(A) Based on diluted shares. Next earnings report due October 30th. Excludes nonrecurring gain/(losses): '02, (22¢); '03, (9¢); '04, (3¢); '05, (7¢); '06, (11¢); '08, (27¢); '10, 79¢; '11, (8¢); '13, (18¢); '14, (44¢); '15, (33¢); '16, (42¢); '17, ($1.64). (B) Div'ds historically paid about the first April, July, Oct., Dec. ■ Div'd reinvestment plan available. (C) Includes intangibles. In '17: $16.6 bill., $3.91/sh. (D) In millions, adjusted for stock split.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	20
Earnings Predictability	100