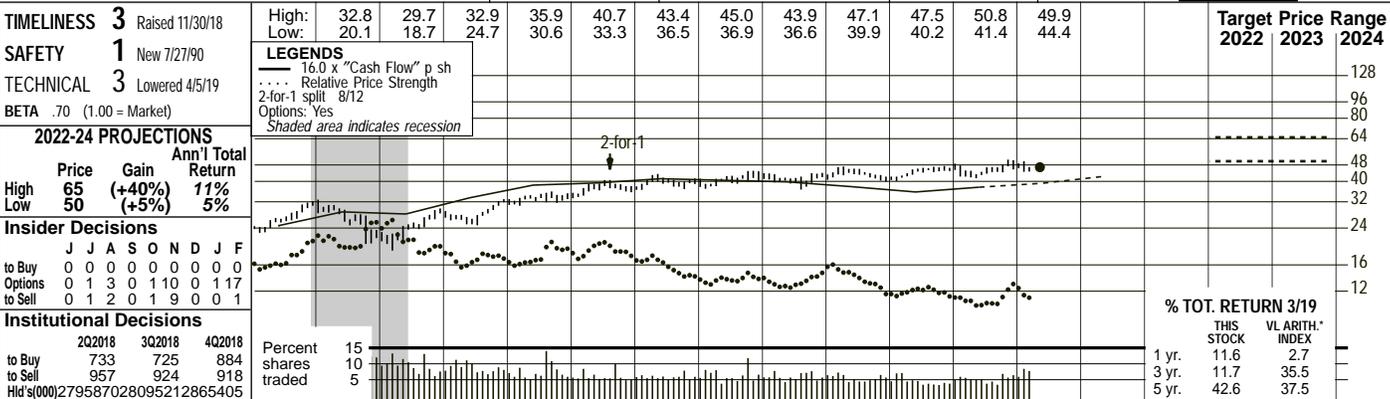


# COCA-COLA NYSE-KO

RECENT PRICE **46.67** P/E RATIO **22.5** (Trailing: 22.4 Median: 20.0) RELATIVE P/E RATIO **1.27** DIV'D YLD **3.4%**

**VALUE LINE**



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	7.46	<b>8.10</b>	<b>8.50</b>	Sales per sh	<b>9.95</b>
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	2.35	<b>2.45</b>	<b>2.65</b>	"Cash Flow" per sh	<b>3.30</b>
.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	2.08	<b>2.10</b>	<b>2.25</b>	Earnings per sh <sup>A</sup>	<b>2.85</b>
.44	.50	.56	.62	.68	.76	.82	.88	.94	1.02	1.12	1.22	1.32	1.40	1.48	1.56	<b>1.60</b>	<b>1.66</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>2.00</b>
.17	.16	.19	.30	.36	.43	.43	.48	.65	.62	.58	.55	.59	.53	.39	.32	<b>.45</b>	<b>.45</b>	Cap'l Spending per sh	<b>5.00</b>
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	3.98	<b>4.25</b>	<b>4.55</b>	Book Value per sh <sup>C</sup>	<b>50</b>
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	4268.0	<b>4250.0</b>	<b>4225.0</b>	Common Shs Outst'g <sup>D</sup>	<b>4100.0</b>
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	21.9	<b>20.0</b>	<b>20.0</b>	Avg Ann'l P/E Ratio	<b>20.0</b>
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	1.17	1.18	<b>1.10</b>	<b>1.10</b>	Relative P/E Ratio	<b>1.10</b>
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%	3.4%	<b>3.4%</b>	<b>3.4%</b>	Avg Ann'l Div'd Yield	<b>3.5%</b>

CAPITAL STRUCTURE as of 12/31/18				2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
Total Debt \$43.555 bill. Due in 5 Yrs. \$31.9 bill.				30990	35123	46554	48017	46854	45998	44294	41863	35410	31856	<b>34500</b>	<b>36000</b>	Sales (\$mill)	<b>40750</b>						
LT Debt \$25.364 bill. Total Int. \$800.0 mill.				30.5%	31.4%	27.9%	26.6%	28.3%	28.1%	27.9%	28.1%	30.9%	34.2%	<b>34.5%</b>	<b>34.5%</b>	Operating Margin	<b>35.0%</b>						
(Total interest coverage: 12.6x)				1236.0	1443.0	1954.0	1982.0	1977.0	1976.0	1970.0	1787.0	1260.0	1086.0	<b>1325</b>	<b>1400</b>	Depreciation (\$mill)	<b>1550</b>						
(60% of Cap'l)				6824.0	8144.0	8932.0	9019.0	9374.0	9091.0	8797.0	8354.0	8240.0	8935.0	<b>9025</b>	<b>9715</b>	Net Profit (\$mill)	<b>11895</b>						
Pension Assets-12/18 \$7.4 bill. Oblig. \$8.0 bill.				22.8%	22.7%	23.9%	23.1%	23.0%	22.5%	22.5%	22.5%	24.0%	18.7%	<b>19.5%</b>	<b>18.7%</b>	Income Tax Rate	<b>20.0%</b>						
Pfd Stock None				22.0%	23.2%	19.2%	18.8%	20.0%	19.8%	19.9%	20.0%	23.3%	28.0%	<b>26.2%</b>	<b>27.0%</b>	Net Profit Margin	<b>29.2%</b>						
Common Stock 4,268,000,000 shs.				3830.0	3071.0	1214.0	2507.0	3493.0	612.0	6465.0	7478.0	9351.0	1411.0	<b>1750</b>	<b>2000</b>	Working Cap'l (\$mill)	<b>2500</b>						
MARKET CAP: \$199 billion (Large Cap)				5059.0	14041	13656	14736	19154	19063	28407	29684	31182	25364	<b>30250</b>	<b>30250</b>	Long-Term Debt (\$mill)	<b>30750</b>						
CURRENT POSITION				24799	31003	31635	32790	33173	30320	25554	23062	17072	16981	<b>18065</b>	<b>19145</b>	Shr. Equity (\$mill)	<b>20445</b>						
Cash Assets				23.4%	18.5%	20.2%	19.4%	18.3%	18.7%	16.5%	16.3%	17.6%	21.8%	<b>19.5%</b>	<b>20.5%</b>	Return on Total Cap'l	<b>24.0%</b>						
Receivables				27.5%	26.3%	28.2%	27.5%	28.3%	30.0%	34.4%	36.2%	48.3%	52.6%	<b>50.0%</b>	<b>50.5%</b>	Return on Shr. Equity	<b>58.0%</b>						
Inventory (Avg Cst)				12.2%	13.1%	14.6%	13.5%	13.3%	12.3%	12.0%	10.0%	11.2%	13.5%	<b>11.5%</b>	<b>13.5%</b>	Retained to Com Eq	<b>17.5%</b>						
Other				56%	50%	48%	51%	53%	59%	65%	72%	77%	74%	<b>77%</b>	<b>73%</b>	All Div'ds to Net Prof	<b>70%</b>						

**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 64% of 2018 net sales; Advertising expenses, 12.9% of 2018 revenues. Has about 62,500 employees. Directors and officers own 1.3% of stock; Berkshire Hathaway, 9.4%; Vanguard, 7.0%; BlackRock, 5.9% (3/19 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 shares got off to a slow start in 2019.** Most notably, the stock slumped 8% in price when December-quarter results were released in mid-February, its worst one-day performance in more than a decade. The market was likely most troubled by the company's full-year earnings guidance, which calls for share net to finish between \$2.06 and \$2.10, essentially unchanged from 2018 and below our earlier estimate of \$2.25. On the positive side, the top line should take a nice step forward (more below), but foreign currency headwinds, increased interest expense, and a higher tax rate figure to largely offset these gains.

**The top line looks set to advance for the first time since 2012.** While foreign currency headwinds will likely continue to limit progress, the drag from the refranchising of bottling operations is set to ease. In all, revenues figure to advance 10%-12% this year, with the January acquisition of Costa providing the biggest jolt. The operator of coffee shops and self-service coffee machines currently generates most of its revenues in the U.K., but figures to spearhead Coke's efforts to make a bigger dent in the fast-growing coffee category around the world.

**Organic growth is likely to proceed at a decent clip.** Given the indications of slowing economic growth in various global markets, the rate of progress probably won't measure up to last year's 5% advance. Still, management expects organic revenues to climb at a solid 4%, with rising contributions from *Coca-Cola Zero Sugar* and *Fuze Tea*, as well as the introduction of revenue growth management strategies to more markets, helping to maintain the positive momentum.

**These shares are best suited for risk-averse investors.** The stock held up nicely during the December-quarter selloff in the broader market and, even with last winter's uncharacteristic volatility, it still has a lot to offer conservative accounts (Safety: 1, Highest). For instance, the company has increased the dividend each year for more than half a century. The most recent hike of 2.6% was a bit on the light side compared to recent years, but the dividend yield of 3.4% is still more than 100 basis higher than the *Value Line* median.

*Robert M. Greene*  
 April 19, 2019

Cal-endar	Q1	Q2	Q3	Q4	Full Year
2016	10282	11539	10633	9409	41863
2017	9118	9702	9078	7512	35410
2018	7626	8927	8245	7058	31856
2019	<b>7950</b>	<b>9450</b>	<b>9000</b>	<b>8100</b>	<b>34500</b>
2020	<b>8300</b>	<b>9800</b>	<b>9400</b>	<b>8500</b>	<b>36000</b>

Cal-endar	Q1	Q2	Q3	Q4	Full Year
2016	.45	.60	.49	.37	1.91
2017	.43	.59	.50	.39	1.91
2018	.46	.61	.58	.43	2.08
2019	<b>.45</b>	<b>.60</b>	<b>.59</b>	<b>.46</b>	<b>2.10</b>
2020	<b>.50</b>	<b>.64</b>	<b>.62</b>	<b>.49</b>	<b>2.25</b>

Cal-endar	Q1	Q2	Q3	Q4	Full Year
2015	--	.33	.33	.66	1.32
2016	--	.35	.35	.70	1.40
2017	--	.37	.37	.74	1.48
2018	--	.39	.39	.78	1.56
2019	--	.40	.40	.80	1.60

(A) Based on diluted shares. Next earnings report due April 23rd. Excludes nonrecurring gain/losses: '03, (9c); '04, (3c); '05, (7c); '06, (11c); '08, (27c); '10, 79c; '11, (8c); '13, (18c); '14, (44c); '15, (33c); '16, (42c); '17, (\$1.64); '18, (51c). (B) Div'ds historically paid about the first April, July, Oct., Dec. ■ Div'd reinvestment plan available. (C) Includes intangibles. In '18: \$17.3 bill., \$4.05/sh. (D) In millions, adjusted for stock split.