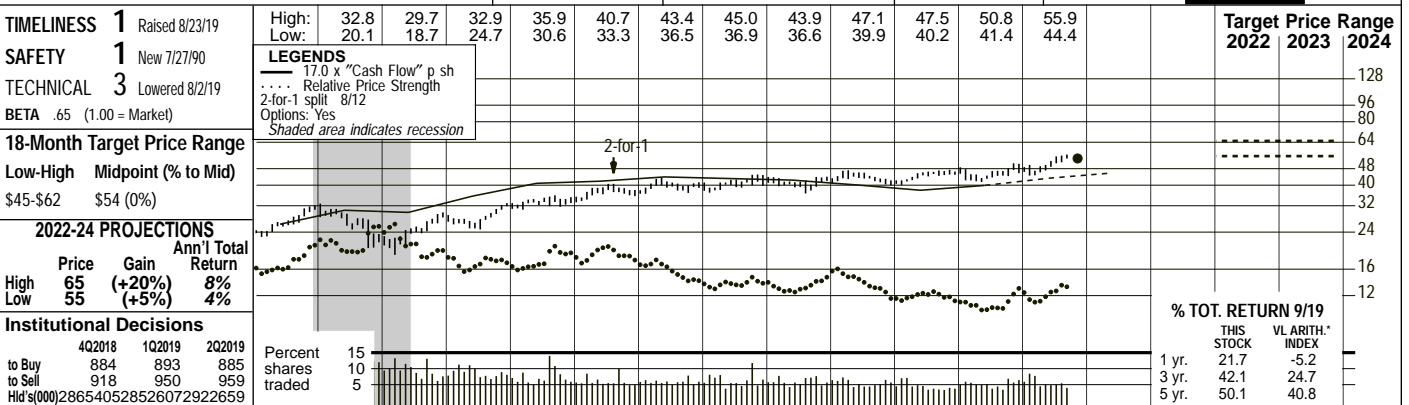


COCA-COLA NYSE-KO

RECENT PRICE **53.58** P/E RATIO **25.3** (Trailing: 25.3; Median: 20.0) RELATIVE P/E RATIO **1.55** DIV'D YLD **3.0%** 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	8.65	9.05	Sales per sh	10.60
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	2.55	2.70	"Cash Flow" per sh	3.40
.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	2.10	2.25	Earnings per sh ^A	2.85
.44	.50	.56	.62	.68	.76	.82	.88	.94	1.02	1.12	1.22	1.32	1.40	1.48	1.56	1.60	1.66	Div'ds Decl'd per sh ^B	2.00
.17	.16	.19	.30	.36	.43	.43	.48	.65	.62	.58	.55	.59	.53	.39	.32	.55	.55	Cap'l Spending per sh	.60
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	4.50	4.75	Book Value per sh ^C	5.10
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	4275.0	4250.0	Common Shs Outst'g ^D	4100.0
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	21.0	21.0	Avg Ann'l P/E Ratio	21.0
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	1.15	1.15	Relative P/E Ratio	1.15
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%	3.3%	3.4%	Avg Ann'l Div'd Yield	3.3%

CAPITAL STRUCTURE as of 6/28/19				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). Chairman & CEO: James Quincey, Inc.; DE. Address: One Coca-Cola Plaza, Atlanta, GA 30313. Tel.: 404-676-2121. Web: www.coca-cola.com.		
Total Debt \$45.075 bill. Due in 5 Yrs. \$31.9 bill.				30990	35123	46554	48017	46854	45998	44294	41863	35410	31856	37000	38500	Sales (\$mill)	43500		
LT Debt \$29.296 bill. Total Int. \$920.0 mill. (Total interest coverage: 12.7x)				30.5%	31.4%	27.9%	26.6%	28.3%	28.1%	27.9%	28.1%	30.9%	34.2%	33.5%	33.5%	Operating Margin	34.0%		
(62% of Cap'l)				1236.0	1443.0	1954.0	1982.0	1977.0	1976.0	1970.0	1787.0	1260.0	1086.0	1725	1800	Depreciation (\$mill)	1950		
Pension Assets-12/18 \$7.4 bill. Oblig. \$8.0 bill.				6824.0	8144.0	8932.0	9019.0	9374.0	9091.0	8797.0	8354.0	8240.0	8935.0	8240.0	8935.0	9070	9660	Net Profit (\$mill)	11930
Pfd Stock None				22.8%	22.7%	23.9%	23.1%	23.0%	22.5%	22.5%	22.5%	24.0%	18.7%	19.5%	18.7%	Income Tax Rate	20.0%		
Common Stock 4,275,000,000 shs.				22.0%	23.2%	19.2%	18.8%	20.0%	19.8%	19.9%	20.0%	23.3%	28.0%	24.5%	25.1%	Net Profit Margin	27.4%		
MARKET CAP: \$229 billion (Large Cap)				3830.0	3071.0	1214.0	2507.0	3493.0	612.0	6465.0	7478.0	9351.0	1411.0	1750	1900	Working Cap'l (\$mill)	2250		
CURRENT POSITION				5059.0	14041	13656	14736	19154	19063	28407	29684	31182	25364	30250	30250	Long-Term Debt (\$mill)	30750		
CASH ASSETS				24799	31003	31635	32790	33173	30320	25554	23062	17072	16981	19235	20160	Shr. Equity (\$mill)	20910		
RECEIVABLES				23.4%	18.5%	20.2%	19.4%	18.3%	18.7%	16.5%	16.3%	17.6%	21.8%	19.0%	20.0%	Return on Total Cap'l	24.0%		
INVENTORY				27.5%	26.3%	28.2%	27.5%	28.3%	30.0%	34.4%	36.2%	48.3%	52.6%	47.0%	48.0%	Return on Shr. Equity	57.0%		
DEBT DUE				12.2%	13.1%	14.6%	13.5%	13.3%	12.3%	12.0%	10.0%	11.2%	13.5%	11.0%	12.5%	Retained to Com Eq	17.0%		
OTHER ASSETS				56%	50%	48%	51%	53%	59%	65%	72%	77%	74%	76%	74%	All Div'ds to Net Prof	70%		

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2016	10282	11539	10633	9409	41863
2017	9118	9702	9078	7512	35410
2018	7626	8927	8245	7058	31856
2019	8694	9997	9500	8809	37000
2020	9000	10400	9900	9200	38500

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2016	.45	.60	.49	.37	1.91
2017	.43	.59	.50	.39	1.91
2018	.46	.61	.58	.43	2.08
2019	.48	.63	.56	.43	2.10
2020	.50	.64	.62	.49	2.25

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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		

The Coca-Cola Company is making good progress on the top line. Note that the 12% year-over-year advance in June-quarter revenues partly reflects contributions from Coca-Cola Beverages Africa, which was accounted for as a discontinued operation prior to 2019. Adjusting for this, organic revenues rose a healthy 6%, with 3% growth in unit case volumes and a 2% improvement in price/mix contributing to the increase. The flagship *Coca-Cola* brand remains a bright spot (4% volume gain), aided by another quarter of double-digit gains for *Coca-Cola Zero Sugar*. Backed by this positive momentum, management raised its full-year guidance for organic revenue growth from 4% to 5%.

The bottom line probably won't show much improvement until 2020. While second-quarter share net beat our estimate by \$0.02, the company made no change to its full-year guidance, which calls for earnings finish within a penny or two of last year's final tally. On the positive side, solid organic revenue growth, along with contributions from acquisitions, should help to drive an 11%-12% increase in comparable-currency neutral operating income. Foreign currency headwinds are likely to continue to hinder progress this year, though this doesn't figure to be much of a factor in 2020, when we look for share earnings to climb about 6%-8%.

Coke is looking to push deeper into some beverage categories. During the second quarter, the company launched *Coca-Cola Energy* in several European countries. This is the first energy drink under the *Coca-Cola* brand, and management aims to offer the product in 20 markets, including Japan, South Africa, and Brazil, by yearend. Coke is also beginning to leverage its January acquisition of Costa Coffee to become a bigger player in that space. The company recently introduced that brand's first ready-to-drink chilled coffee and is accelerating the rollout of more *Express* vending machines.

Conservative investors might want to take a closer look here. Support for this equity (Safety: 1, Highest) has perked up over the past six months, and it is a timely selection for the year ahead. The recent price momentum, though, appears to leave room for only modest upside to 2022-24.

Robert M. Greene *October 18, 2019*

(A) Based on diluted shares. Next earnings report due late January. 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.	Company's Financial Strength	A++
			Stock's Price Stability	100
			Price Growth Persistence	25
			Earnings Predictability	100