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Equity Research · Company Update · 28 July 2026

The Coca-Cola Company · NYSE: KO

Consumer Staples · Non-Alcoholic Beverages · Analyst: Debjit Mukherjee, Student Equity Research Analyst · Vireo Capital Research

RATING	PRICE TARGET	CURRENT PRICE	UPSIDE / DOWN	MARKET CAP	P/E (FWD)	EV / EBITDA	52-WEEK RANGE
BUY	$93.53	$87.00	+7.5%	$375.0B	26.6x	25.3x	$65.35 — $89.08
REVENUE (TTM)	EBITDA MARGIN	FCF (TTM)	NET MARGIN	DIV YIELD	BETA	NET DEBT / (CASH)	NEXT EARNINGS
$50.13B	31.7%	$14.30B	28.6%	2.38%	[TO ADD]	$27.17B	Q3 FY2026 · mid-late Oct [TBC]

INVESTMENT SUMMARY

BUY. Fair value ~$94 (blended $93.53) against $87, a price return of +6.4% and +8.7% total with the 2.4% yield.
The upgrade from HOLD is a methodology decision, not a change in the business: the four method outputs are unchanged and only the weights moved, to Vireo's income-name standard of DDM 60% / EV-EBITDA 20% / P/E 20%.
Thesis 1 — Coca-Cola's dividend stream is the better anchor for valuation, because 64 consecutive years of increases say more about future worth than a five-year earnings model does.
Thesis 2 — The volume recovery looks durable because it is being driven by mix, with Q2 volume up 5% while price/mix still held at +2%.
Thesis 3 — Coca-Cola's reported numbers understate the underlying business, and the gap should close in FY2026 as the accounting distortions unwind.
Q2 FY2026 beat on both lines: revenue $13.4bn (+7%) against ~$13.17bn expected and comparable EPS $0.97 against $0.93, with guidance raised to ~5% organic revenue, 9-10% comparable EPS and ~$12.4bn free cash flow.
The multiple is the counter-case and remains the principal risk to owning the shares: 25.0x NTM earnings against a peer median of 17.4x, and 25.3x EV/EBITDA against 16.0x, on consensus revenue growth of only 2.7%.
The whole call rests on one input. 5% perpetual dividend growth carries 60% of the target; breakeven is ~4.729% and the market already prices ~4.699%, so the BUY needs Coca-Cola to beat the implied rate by ~30bp.

KEY CATALYSTS

· Q3 FY2026 results, mid-to-late October (date not yet confirmed). Guided ~1% currency tailwind to revenue and ~3% to EPS. The test is whether 5% volume holds once the World Cup activation laps out.
· Africa bottling disposal, closing end-Q3 or during Q4 FY2026. Assuming a 3% revenue drag at a 6% bottling margin, it lifts group EBITDA margin by ~79bp on completion.
· February 2027 dividend declaration — the 65th consecutive increase. A 4-5% raise takes the rate to ~$2.21, worth ~4% on the share price at an unchanged yield. A hold at $2.12 would be a serious warning.
· IRS transfer-pricing resolution, timing outside the company's control. A favourable ruling releases ~$3.25 a share; an adverse one crystallises it. Excluded from the guided 19.9% tax rate.
· Innovation-hub roll-out through FY2027. At 3.5% revenue growth rather than 2.7%, FY2029 EBITDA is $407m higher, worth $2.27 a share at 24x; at 4.0%, $3.70 a share.

KEY RISKS

· Multiple de-rating — the primary risk to owning the shares, though no longer what sets the rating. A fall to 22x forward, roughly the FY2023-24 level, puts the shares near $72 on unchanged EPS, about -17%.
· The perpetual growth assumption — the largest single risk. 5% carries 60% of the target. At 4.5% the blend falls to $82.50, about 5% below the price, inverting the rating rather than trimming it. Exit below ~4.75%.
· IRS transfer-pricing case — ~$14bn of further exposure, ~$3.25 a share, excluded deliberately from the target because the outcome is binary and unknowable.
· Currency reversal — a swing from the current ~3% tailwind to a 3% headwind cuts FY2026E EPS by ~$0.20 and takes ~$5 off the P/E-derived valuation. Economic hedges exist but no fixed horizon is disclosed, so the risk is ongoing.
· Growth bought with price — Asia Pacific delivered 8% volume at -9% price/mix. If that spreads, a 200bp move to zero group price/mix is $1,007m of revenue, $0.187 of EPS and $5.05 a share at 27x.
· GLP-1 drugs and packaging regulation — slow-moving, not yet in the numbers. A

sustained 100bp price/mix compression is ~$500m of revenue and ~$0.093 of EPS.

PRICE TARGET SUMMARY — BLENDED METHODOLOGY

Methodology	Weight	Implied Price	Key Assumptions
Dividend Discount Model (Gordon)	60%	**$98.93**	*Ke 7.25%; perpetual dividend growth 5.0%; D1 = $2.12 x 1.05 = $2.2260 (live formula). Weighted highest for an income name.*
EV/EBITDA Comps	20%	**$82.55**	*24.0x applied to FY2026E EBITDA of $15,957m, less net debt of $27,170m. DECISION A3 APPLIED (v4): EBITDA base = FY2025A*
P/E Comps	20%	**$88.29**	*27.0x applied to FY2026E EPS of $3.27. Peer median fwd P/E 17.4x; peer 75th percentile 18.7x. DECISION B RESOLVED (v4) to*
BLENDED PRICE TARGET	**100%**	**$93.53**	*$98.93 x 0.60 + $82.55 x 0.20 + $88.29 x 0.20 = $93.53 · unrounded blend, rounds to $94 · price return and total return*
DCF (5-Year Projection)	*Not weighted*	$67.92	*DECISION D2 APPLIED (v4): FY2026E unlevered FCF rebased from $10,660m to $12,700m (x1.1913, whole path scaled proport*

CE TARGET $93.53 (rounds to $94) • CURRENT $87.00 • PRICE RETURN +7.5% • TOTAL RETURN +9.9% (yield 2.38%) • RATING (mechanical, price-return basis): B

Blue = Hardcoded analyst inputs · Black = Formulas · Green = Cross-sheet links · Yellow fill = Key assumptions requiring attention · v4: Decision A3 applied (FY2026E EBITDA $15,957m); Decision B resolved to

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Discounted Cash Flow Model · The Coca-Cola Company (KO) · 28 July 2026 · Supporting analysis / valuation floor — not weighted in the price target

THE COCA-COLA COMPANY ($MM)	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	TERMINAL	NOTES / SOURCE
A. REVENUE BUILD ($MM)										
Total Revenue	45,754	47,061	47,941	48,960	49,600	50,840	52,365	53,936		*FY23A-FY25A: KO 10-K / Stage 1 workbook. FY26E-FY28E: report consensus.*
YoY Growth %	6.4%	2.9%	1.9%	2.1%	1.3%	2.5%	3.0%	3.0%		*FY29E-FY30E: 3.0% p.a., Vireo projection off the consensus base.*
North America	—	—	19,600	n/f	n/f	n/f	n/f	n/f	—	*Segment split disclosed for FY2025A only. n/f = not forecast: FY2026E-FY2030E revenue is f*
EMEA	—	—	11,500	n/f	n/f	n/f	n/f	n/f	—	n/f = not forecast (group-level forecast only).
Latin America	—	—	6,300	n/f	n/f	n/f	n/f	n/f	—	
Asia Pacific	—	—	5,600	n/f	n/f	n/f	n/f	n/f	—	
Bottling Investments	—	—	5,700	n/f	n/f	n/f	n/f	n/f	—	*Africa bottling disposal to close Q3/Q4 FY2026 — margin accretive.*
Eliminations / Corporate	—	—	(759)	—	—	—	—	—	—	*Balancing item vs reported group revenue.*
B. EBITDA & FREE CASH FLOW BRIDGE ($MM)										
Gross Profit	27,230	28,740	29,540	30,410	30,900	31,780	32,728	33,710		*Gross margin expands 59.5% to 62.5% over the period.*
Gross Margin %	59.5%	61.1%	61.6%	62.1%	62.3%	62.5%	62.5%	62.5%		
EBITDA	12,440	11,070	14,810	15,300	15,870	16,520	17,281	18,069		*EBITDA = operating income + D&A. FY24A hit by non-recurring charges.*
EBITDA Margin %	27.2%	23.5%	30.9%	31.3%	32.0%	32.5%	33.0%	33.5%		
(-) D&A	1,130	1,080	1,050	1,030	1,050	1,050	1,070	1,090		*Asset-light concentrate model: D&A ~2% of revenue.*
EBIT (Operating Income)	11,310	9,990	13,760	14,270	14,820	15,470	16,211	16,979		
EBIT Margin %	24.7%	21.2%	28.7%	29.1%	29.9%	30.4%	31.0%	31.5%		
(-) Cash Taxes	(2,251)	(1,988)	(2,738)	(2,840)	(2,949)	(3,079)	(3,226)	(3,379)		*19.9% guided underlying ETR; excludes the unresolved IRS matter.*
NOPAT	9,059	8,002	11,022	11,430	11,871	12,391	12,985	13,600		
(+) D&A	1,130	1,080	1,050	1,030	1,050	1,050	1,070	1,090		
(-) Capital Expenditures	(1,852)	(2,064)	(2,112)	(2,200)	(2,250)	(2,300)	(2,325)	(2,350)		*FY26E ~$2.2bn per guidance, rising modestly thereafter.*
(-) Change in NWC [+ = source of cash]	(846)	(6,234)	(7,208)	400	400	400	400	400		*FY24A: $6.0bn IRS deposit. FY25A: $6.1bn fairlife payment.*
Unlevered Free Cash Flow	7,491	784	2,752	10,660	11,071	11,541	12,130	12,740		*FY2026E UFCF $10,660m on the as-is operating build. This sits BELOW the company's guide*
C. DCF CALCULATION										
Discount Period (t)				1	2	3	4	5	TERMINAL	
Unlevered FCF (from Section B)				10,660	11,071	11,541	12,130	12,740	**328,052**	*Terminal column = Gordon Growth TV at FY2030E.*
Discount Factor = 1/(1+WACC)^t				0.9346	0.8734	0.8163	0.7629	0.7130	0.7130	*End-of-period discounting; no mid-year convention.*
PV of Free Cash Flow				9,963	9,670	9,421	9,254	9,083	**233,896**	

D. KEY ASSUMPTIONS		
WACC	7.0%	*Blended cost of capital used for the conservative floor case.*
Terminal Growth Rate	3.0%	*Below long-run nominal GDP; deliberately conservative for a mature staple.*
Cash Tax Rate	19.9%	*FY2026 guided underlying effective tax rate; excludes the IRS transfer-pricing matter.*
Net Debt ($mm)	$27,170	*Total debt $43,540m less cash & ST investments $16,370m, 3 July 2026.*
Diluted Shares (mm)	4,310	*Share count used throughout the model and the report.*
Current Market Price ($)	$87.00	*Reference price, 28 July 2026. Intraday high $89.08 on the Q2 print.*
Memo — Cost of Equity Ke (DDM)	7.25%	*Carried to the DDM tab; not used in the DCF discount rate.*
Beta (5Y monthly)	[TO ADD]	*GAP: beta not sourced. WACC is set directly at 7.0%, not CAPM-derived.*
Implied Terminal EV/EBITDA (check)	18.2x	*Cross-check vs the 16.0x peer median (Comps tab) and KO's 25.3x traded TTM multiple.*

E. VALUATION OUTPUT		
Sum of PV of Forecast FCFs ($mm)	47,391	*Five-year explicit forecast, FY2026E-FY2030E.*
Terminal Value — Gordon Growth Model ($mm)	328,052	
PV of Terminal Value ($mm)	233,896	*PV(TV) is ~83% of EV — the usual caveat for a low-growth perpetuity.*
Enterprise Value ($mm)	**281,287**	
(-) Net Debt ($mm)	(27,170)	
Equity Value ($mm)	254,117	
/ Diluted Shares Outstanding (mm)	4,310	
DCF Implied Share Price ($)	**$58.96**	*As-is floor, before the Decision D2 rebase. The floor carried to the report is $71.45 - see cell B60.*
DCF Method Output — rounded ($)	**$59**	*Carried to the Cover tab as supporting analysis; NOT weighted.*

Current Market Price ($)	$87.00	
Implied Upside / (Downside)	(32.2%)	*On the DCF alone KO screens expensive; the dividend carries the target.*
DCF Implied Share Price — rebased, A3-consistent ($)	$67.92	*Primary DCF output. UFCF rebased to guidance with FY2026E EBITDA of $15,957m, so the DCF and the Financial Summary use the same EBITDA. Prior $58.96 and $71.45 superseded.*

F. SENSITIVITY ANALYSIS — DCF IMPLIED SHARE PRICE ($)

TGR v / WACC >	6.0%	6.5%	7.0%	7.5%	8.0%	
2.0%	$61.33	$53.75	$47.68	$42.73	$38.59	*Gold cell = base case (WACC 7.0% / TGR 3.0%).*
2.5%	$69.69	$60.13	$52.70	$46.75	$41.89	*Grid recomputes live off the Section B unlevered FCF row.*
3.0%	$80.84	$68.34	**$58.96**	$51.67	$45.84	
3.5%	$96.45	$79.28	$67.01	$57.82	$50.66	
4.0%	$119.86	$94.59	$77.75	$65.72	$56.70	

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Comparable Company Analysis · The Coca-Cola Company (KO) · 28 July 2026

Company	Ticker	Mkt Cap ($B)	EV ($B)	Revenue ($B)	EV/Revenue	EV/EBITDA	P/E (Fwd)	Rev Growth (3Y CAGR)	EBITDA Margin	FCF Yield
▶ The Coca-Cola Co.	**KO**	**$375.0**	**$402.1**	**$50.1**	**8.02x**	**25.3x**	**25.0x**	**2.7%**	**31.7%**	**3.8%**
PepsiCo, Inc.	PEP	$196.3	$240.4	$96.9	2.48x	12.8x	16.0x	3.9%	19.4%	*n/a*
Nestle S.A.*	NESN	$197.1	$248.9	$89.9	2.77x	13.5x	17.4x	1.7%	20.5%	*n/a*
Monster Beverage	MNST	$96.4	$90.3	$8.8	10.27x	33.5x	40.5x	11.0%	30.7%	*n/a*
Mondelez Int'l	MDLZ	$77.9	$98.0	$39.3	2.49x	19.4x	19.0x	3.3%	12.8%	*n/a*
Keurig Dr Pepper	KDP	$41.0	$69.0	$16.9	4.07x	16.0x	12.6x	22.8%	25.4%	*n/a*
Constellation Brands	STZ	$22.2	$32.6	$9.1	3.60x	10.0x	11.0x	1.3%	36.0%	*n/a*
Celsius Holdings	CELH	$7.2	$7.1	$3.0	2.38x	26.7x	18.4x	15.6%	8.9%	*n/a*
25th Percentile (ex-KO)	—	$31.6	$50.8	$9.0	2.49x	13.2x	14.3x	2.5%	16.1%	—
Median (ex-KO)	**—**	**$77.9**	**$90.3**	**$16.9**	**2.77x**	**16.0x**	**17.4x**	**3.9%**	**20.5%**	**—**
75th Percentile (ex-KO)	—	$146.4	$169.2	$64.6	3.84x	23.1x	18.7x	13.3%	28.0%	—
Mean (ex-KO)	—	$91.2	$112.3	$37.7	4.01x	18.8x	19.3x	8.5%	22.0%	—

IMPLIED VALUATION FROM TRADING COMPARABLES

Methodology	Multiple Applied	Reference Metric	Implied EV ($B)	Implied Equity ($B)	Implied Price	Method Output ($)	Note
EV / Revenue — at peer median	2.77x	$50.3	$139.4	$112.3	$26.05	—	*Peer median 2.77x on FY2026E revenue of $50,338m; KO trades at 8.02x on TTM*
EV / EBITDA — at peer median	16.0x	$16.0	$255.3	$228.1	$52.93	—	*Peer median 16.0x on FY2026E EBITDA of $15,957m — KO worth ~$53.*
P/E (Fwd) — at peer median	17.4x	$3.27	—	—	$56.90	—	*Peer median fwd P/E 17.4x on FY2026E EPS $3.27 — implies ~$57.*
APPLIED (PREMIUM) MULTIPLES — METHOD OUTPUTS CARRIED TO THE PRICE TARGET							
EV / EBITDA — applied	**24.0x**	$16.0	$383.0	$355.8	$82.55	**$83**	*24.0x x FY2026E EBITDA $15,957m, less net debt of $27,170m, over 4,310m shar*
P/E (Fwd) — applied	**27.0x**	$3.27	—	—	$88.29	**$88**	*27.0x x FY2026E EPS $3.27 = $88.29 — a 55% premium to the 17.4x peer median*
Relative methods — equal-weighted	**$85.50**	**vs. Current:**	**$87.00**	**(1.7%)**	*Relative methods carry 40% of the target and on their own imply downside.*		
Memo — net debt basis, EV/EBITDA ($B)	**$27.2**	*Net debt basis for the EV/EBITDA leg, linked to DCF!B41 ($27,170m at 3 Jul 2026). v3 correction: the $29,000m rounded figure used previously is no longer used anywhere in th*					

COLOR CODING LEGEND

Blue text	Hardcoded inputs — numbers the analyst changes for scenarios or updates
Black text	Formulas and calculations — do not overwrite
Green text	Cross-sheet links pulling from another tab in this workbook
Yellow background	Key assumption cells requiring attention or updating

EV/Revenue and EV/EBITDA are derived from that EV on TTM revenue of $50.13bn and TTM EBITDA of $15.89bn (50.13 x 31.7%). Peer revenue and EV/EBITDA are trailing twelve months; P/E (Fwd) is NTM consensus. On a like-for-like NTM basis KO's 25.0x forward P/E is a ~44% premium to the 17.4x peer median; on TTM EV/EBITDA its 25.3x is a ~58% premium to the 16.0x peer median. The 26.6x figure quoted elsewhere is calendar FY2026E ($87.00 / $3.27) and is NOT comparable to the NTM peer median. EBITDA margin is derived as EV/Revenue divided by EV/EBITDA. KO Rev Growth of 2.7% is the CONSENSUS three-year forward revenue CAGR; the model's OWN FY2025A $47,941m to FY2028E $50,840m

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Dividend Discount Model (Gordon Growth) · The Coca-Cola Company (KO) · 28 July 2026 · 60% of the blended price target

A. DIVIDEND HISTORY ($MM / per share)

THE COCA-COLA COMPANY	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	NOTES / SOURCE
Dividends Paid ($mm)	7,047	7,252	7,616	7,952	8,359	8,779	9,137	*FY20A-FY25A: KO cash flow statement (Stage 1 workbook). FY26E = DPS x shares.*
Dividend Per Share ($)	$1.64	$1.68	$1.76	$1.84	$1.94	$2.04	$2.12	*Declared annual rate; ties to dividends paid / average shares. FY26E = indicated rate.*
DPS YoY Growth %	—	2.4%	4.8%	4.5%	5.4%	5.2%	3.9%	*64 consecutive annual increases through FY2026.*
Diluted EPS ($)	n/a	n/a	n/a	$2.47	$2.46	$3.04	$3.27	*GAP: FY20A-FY22A diluted EPS not in the source workbook. FY26E consensus compara*
Payout Ratio (DPS / Diluted EPS)	—	—	—	74.5%	78.9%	67.1%	64.8%	*Payout near 70% leaves little room for dividends to outgrow earnings.*
5-Year CAGR (FY2020A > FY2025A) — Dividends Paid / DF	**4.49%**	**4.46%**	*The realised 4.5% record is the first of three supports for the 5.0% perpetual assumption below.*					

B. GORDON GROWTH INPUTS & OUTPUT

Indicated Annual Dividend D0 ($)	$2.12	*Current declared rate: $0.53 quarterly, payable 1 Oct 2026. 2.38% indicated yield.*
Implied Forward Dividend D1 ($)	$2.2260	*LIVE: D1 = D0 x (1 + g) = $2.12 x (1 + g). At g = 5.00% this is $2.2260 and the DDM output is $98.93. v3 correction: the previous hardcode of $2.2275 implied 5.07% growth and reverse-engineered the output to exactly $99.00.*
Cost of Equity Ke	7.25%	*House cost of equity for KO; carried from the report. Cross-checked on the DCF tab.*
Perpetual Dividend Growth g	5.00%	*LOAD-BEARING. 60% of the target rests on this cell. UNCHANGED AT 5.00% IN v4 BY INSTRUCTION - the DPS-path reconciliation is the author's decision. On the live D1 formula and the v4 method outputs ($82.55 EV/EBITDA, $*
Implied D1 growth on D0	5.00%	*Check on the forward dividend input.*
Ke - g (spread)	2.25%	*Spread Ke - g. The Gordon output is convex in g - see Section C and the Scenarios tab.*

OUTPUT

DDM Value per Share = D1 / (Ke - g)	**$98.93**	*Gordon Growth output at the 5.0% base case.*
Reference Market Price ($)	$87.00	*28 July 2026 reference price.*
DDM Method Output — rounded ($)	**$99**	*Carried to the Cover tab at a 60% weight.*
Premium / (Discount) to Market	13.7%	*The DDM alone implies ~14% upside.*
Implied Dividend Yield on DDM Value	2.25%	*Equals Ke - g by construction.*
Indicated Yield on Reference Price	2.44%	*$2.12 on $87.00. Reported yield 2.38% (S&P / StockAnalysis, 28 Jul 2026).*

C. BLEND INPUTS (linked — edit the weights on the Cover tab)

DDM weight	60%	DDM value per share	$98.93	*House standard for income names: DDM 60% / EV-EBITDA 20% / P/E 20%. DCF not weighted.*
EV/EBITDA weight	20%	EV/EBITDA implied price	$82.55	
P/E weight	20%	P/E implied price	$88.29	
Total weight	100%	Reference price	$87.00	
Blended Price Target at base-case g	**$93.53**	*Ties to the Cover tab. Uses the unrounded DDM value.*		
Rounded-input blend (as per Cover)	$93.60	*Rounded-input blend, shown for reconciliation only. The Cover tab and Section D below now use unrounded method outputs.*		

D. SENSITIVITY — PERPETUAL DIVIDEND GROWTH RATE (g)

Perpetual dividend growth (g)	DDM value	Blended target (60/20/20)	vs $87 price	Rating	Comment
4.00%	$67.84	$74.87	(13.9%)	**SELL**	*Below the realised five-year record of 4.5% — the rating inverts.*
4.50%	$80.56	$82.50	(5.2%)	**SELL**	*A 50bp haircut takes the blend below the market price. Intermediate g values (4.25%, 4.75%, 4.96%, 5.25%) are on the Scenarios tab.*
5.00%	**$98.93**	**$93.53**	**7.5%**	**BUY**	*BASE CASE. Supported by the 4.5% realised record and ~5.9% FY26E EPS growth.*
5.50%	$127.81	$110.85	27.4%	**BUY**	*Convexity: the same 50bp adds $28.87 to the DDM value, while the 50bp below takes only $18.37 away. Top of a range, not a point estimate.*

Breakeven growth (blended target = $87.00)	**4.73%**	*Breakeven g solved on the live D1 = D0 x (1+g) formula: g = ((P - K)Ke - D0 w) / (D0 w + (P - K)), where K is the weighted EV/EBITDA and P/E legs and w is the DDM weight.*
Market-implied growth (DDM alone = $87.00)	**4.70%**	*DDM alone = $87.00 on the live D1 formula: g = (P Ke - D0)/(P + D0) = 4.699%. Independent of the EV/EBITDA and P/E legs.*
Margin of safety on g (base - breakeven)	0.27%	*Margin of safety on g at the 5.00% base case, in basis points of perpetual growth.*

Sensitivity holds the EV/EBITDA and P/E method outputs constant at their v4 corrected unrounded values ($82.55 and $88.29); only the DDM input varies. Ratings are the mechanical output of the framework applied to the PRICE return (BUY >= +5%, HOLD -5% to +5%, SELL < -5%), not separate recommendations. See the Scenarios tab for the full g grid (4.00%-5.25%) and for the total-return basis.

Blue = Hardcoded analyst inputs · Black = Formulas · Green = Cross-sheet links · Yellow fill = Key assumptions requiring attention · For educational purposes only — Vireo Capital Research

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Decision Scenarios · The Coca-Cola Company (KO) · v4 — Decisions A3, B and D2 APPLIED; Decision E presented as an alternative only; perpetual growth g left at 5.00% by instruction

SHARED INPUTS

Diluted shares (mm)	4,310	Rating rule (model): BUY >= +5%, SELL <= -5%, else HOLD, applied to the PRICE return. Total-return rating shown alongside.
Net debt ($mm)	27,170	
Reference price ($)	$87.00	Blend = 60% DDM + 20% EV/EBITDA + 20% P/E, on UNROUNDED method outputs.
Cost of equity Ke	7.25%	
Indicated DPS D0 ($)	$2.1200	
Dividend yield (total-return add-on)	2.38%	
Weight — DDM	60%	
Weight — EV/EBITDA	20%	
Weight — P/E	20%	
Applied EV/EBITDA multiple	24.0x	
Applied P/E multiple	27.0x	

DECISION A — FY2026E EBITDA base for the EV/EBITDA leg (24.0x; DDM at g=5.00%; P/E at 27.0x x $3.22)

Scenario	FY2026E EBITDA ($mm)	Implied EV ($mm)	EV/EBITDA leg ($)	DDM leg ($)	P/E leg ($)	Blend ($)	Price return	Total return	Rating (price / total basis)
A1 $15,300m (as-is)	15300	367,200	**$78.89**	$98.93	$86.94	**$92.53**	+6.4%	+8.7%	**BUY / BUY**
A2 $15,890m (TTM EBITDA)	15890	381,360	**$82.18**	$98.93	$86.94	**$93.18**	+7.1%	+9.5%	**BUY / BUY**
A3 $15,957m (FY25A rev $47,941m x 1.05 = $50,3	15,957	382,972	**$82.55**	$98.93	$86.94	**$93.26**	+7.2%	+9.6%	**BUY / BUY**

A1 was below TTM EBITDA of $15,890m, which cannot hold for a full year. A3 is the guidance-consistent build and is the base SELECTED IN v4: $47,941m x 1.05 x 31.7% = $15,957m, giving an EV/EBITDA leg of $82.55.

DECISION B — FY2026E EPS for the P/E leg (27.0x)

Scenario	FY2026E EPS ($)	P/E leg at 27.0x ($)	Implied trading multiple at $87.00	EBITDA base	EV/EBITDA leg ($)	Blend ($)	Price return	Total return	Rating (price / total basis)
EPS $3.22 with A1 $15,300m	$3.22	**$86.94**	27.02x	15,300	$78.89	**$92.53**	+6.4%	+8.7%	**BUY / BUY**
EPS $3.22 with A3 $15,957m	$3.22	**$86.94**	27.02x	15,957	$82.55	**$93.26**	+7.2%	+9.6%	**BUY / BUY**
EPS $3.27 with A1 $15,300m	$3.27	**$88.29**	26.61x	15,300	$78.89	**$92.80**	+6.7%	+9.0%	**BUY / BUY**
EPS $3.27 with A3 $15,957m	$3.27	**$88.29**	26.61x	15,957	$82.55	**$93.53**	+7.5%	+9.9%	**BUY / BUY**

RESOLVED IN v4 to $3.27. Company FY2026 guidance issued 28 Jul 2026 is $3.27-$3.30 comparable EPS, i.e. 9-10% growth on FY2025 comparable EPS of $3.00; Street consensus at the same date was $3.27 (MarketBeat/Zacks $3.26). The $3.22 was the pre-Q2 consensus and is superseded. D

DECISION C — perpetual dividend growth g (live D1 = $2.12 x (1+g))

Grid 1 — legs held at A1 ($15,300m EBITDA -> $78.89) and EPS $3.22 ($86.94)

Perpetual g	D1 ($)	DDM value ($)	EV/EBITDA leg ($)	P/E leg ($)	Blend ($)	Price return	Total return	Rating (price)	Rating (total return basis)
4.00%	$2.2048	**$67.84**	$78.89	$86.94	**$73.87**	(15.1%)	(12.7%)	**SELL**	SELL (total-return basis)
4.25%	$2.2101	**$73.67**	$78.89	$86.94	**$77.37**	(11.1%)	(8.7%)	**SELL**	SELL (total-return basis)
4.50%	$2.2154	**$80.56**	$78.89	$86.94	**$81.50**	(6.3%)	(3.9%)	**SELL**	HOLD (total-return basis)
4.75%	$2.2207	**$88.83**	$78.89	$86.94	**$86.46**	(0.6%)	+1.8%	**HOLD**	HOLD (total-return basis)
4.96%	$2.2252	**$97.17**	$78.89	$86.94	**$91.47**	+5.1%	+7.5%	**BUY**	BUY (total-return basis)

5.00%	$2.2260	**$98.93**	$78.89	$86.94	**$92.53**	+6.4%	+8.7%	**BUY**	BUY (total-return basis)
5.25%	$2.2313	**$111.57**	$78.89	$86.94	**$100.11**	+15.1%	+17.4%	**BUY**	BUY (total-return basis)

Grid 2 — legs held at A3 ($15,957m EBITDA -> $82.55) and EPS $3.27 ($88.29)

Perpetual g	D1 ($)	DDM value ($)	EV/EBITDA leg ($)	P/E leg ($)	Blend ($)	Price return	Total return	Rating (price)	Rating (total return basis)
4.00%	$2.2048	**$67.84**	$82.55	$88.29	**$74.87**	(13.9%)	(11.6%)	**SELL**	SELL (total-return basis)
4.25%	$2.2101	**$73.67**	$82.55	$88.29	**$78.37**	(9.9%)	(7.5%)	**SELL**	SELL (total-return basis)
4.50%	$2.2154	**$80.56**	$82.55	$88.29	**$82.50**	(5.2%)	(2.8%)	**SELL**	HOLD (total-return basis)
4.75%	$2.2207	**$88.83**	$82.55	$88.29	**$87.47**	+0.5%	+2.9%	**HOLD**	HOLD (total-return basis)
4.96%	$2.2252	**$97.17**	$82.55	$88.29	**$92.47**	+6.3%	+8.7%	**BUY**	BUY (total-return basis)
5.00%	$2.2260	**$98.93**	$82.55	$88.29	**$93.53**	+7.5%	+9.9%	**BUY**	BUY (total-return basis)
5.25%	$2.2313	**$111.57**	$82.55	$88.29	**$101.11**	+16.2%	+18.6%	**BUY**	BUY (total-return basis)

CROSSOVER POINTS (solved on the live D1 formula)

g at which the blend equals $87.00 (rating turns ne	4.774%
g at which PRICE return = +5.0% (model BUY rule)	4.955%
g at which TOTAL return = +5.0% (BUY threshold in	4.873%
g at which the DDM alone equals $87.00 (market-i	4.699%
g at which the blend equals $87.00 — Grid 2 (A3 +	4.728%
g at which PRICE return = +5.0% — Grid 2 (A3 + $3.	4.916%
g at which TOTAL return = +5.0% — Grid 2 (A3 + $3	4.830%

The Financial Summary projects DPS growth of ~4.0-4.3% (FY2026E $2.12 > FY2027E $2.21 > FY2028E $2.30); the DDM assumes 5.00% in perpetuity. That gap is unreconciled. No choice is made here.

DECISION D — DCF base (WACC 7.0%, terminal growth 3.0%; not weighted in the target)

Scenario	FY2026E UFCF ($mm)	Sum PV of FCF ($mm)	PV of terminal value ($mm)	Enterprise value ($mm)	Equity value ($mm)	DCF per share ($)	vs $87.00	Note
D1 as-is (model UFCF path)	**10,660**	47,391	233,896	281,287	254,117	**$58.96**	(32.2%)	FY2026E UFCF $10,660m sits below guided LEVERED FCF of ~$12,400m — aritl
D2 UFCF rebased to $12,700m — whole path scale	12,700	56,459	278,650	335,108	307,938	**$71.45**	(17.9%)	Every forecast year scaled by 12,700 / 10,660 = 1.1913x. Guidance-consistent:
D2b UFCF rebased to $12,700m — level shift (+$2,	12,700	55,754	271,344	327,099	299,929	**$69.59**	(20.0%)	Same $12,700m FY2026E start but a constant dollar add-on rather than a prop
D2c memo — if Decision A3 is ALSO pushed throug	11,187	54,360	265,538	319,898	292,728	**$67.92**	TED — published floor	MEMO / FLAGGED INTERACTION. Rebasing to $12,700m from the A3-consiste

DECISION E — the P/E leg (27.0x x $3.22 = $86.94 reproduces the reference price; the leg is circular)

P/E multiple basis	Multiple	EPS	P/E leg ($)	EBITDA base	EV/EBITDA leg ($)	Blend ($)	Price return	Total return	Rating (price / total basis)
Peer median (ex-KO)	**17.40x**	$3.22	**$56.03**	15,300	$78.89	**$86.34**	(0.8%)	+1.6%	**HOLD / HOLD**
Peer median (ex-KO)	**17.40x**	$3.27	**$56.90**	15,300	$78.89	**$86.52**	(0.6%)	+1.8%	**HOLD / HOLD**
Peer 75th percentile (ex-KO)	**18.70x**	$3.22	**$60.21**	15,300	$78.89	**$87.18**	+0.2%	+2.6%	**HOLD / HOLD**
Peer 75th percentile (ex-KO)	**18.70x**	$3.27	**$61.15**	15,300	$78.89	**$87.37**	+0.4%	+2.8%	**HOLD / HOLD**
Peer 25th percentile (ex-KO)	**14.30x**	$3.22	**$46.05**	15,300	$78.89	**$84.35**	(3.0%)	(0.7%)	**HOLD / HOLD**
Peer 25th percentile (ex-KO)	**14.30x**	$3.27	**$46.76**	15,300	$78.89	**$84.49**	(2.9%)	(0.5%)	**HOLD / HOLD**
Peer mean (ex-KO)	**19.27x**	$3.22	**$62.05**	15,300	$78.89	**$87.55**	+0.6%	+3.0%	**HOLD / HOLD**
Peer mean (ex-KO)	**19.27x**	$3.27	**$63.02**	15,300	$78.89	**$87.74**	+0.9%	+3.2%	**HOLD / HOLD**
Applied premium multiple (as-is)	**27.00x**	$3.22	**$86.94**	15,300	$78.89	**$92.53**	+6.4%	+8.7%	**BUY / BUY**
Applied premium multiple (as-is)	**27.00x**	$3.27	**$88.29**	15,300	$78.89	**$92.80**	+6.7%	+9.0%	**BUY / BUY**

DECISION E — RESEARCHED IN v4. KO's own average P/E is 24.83x over three years and 25.80x over five years, both on a TRAILING TTM basis (FullRatio / Intrinio / Sharadar, 18 Jun 2026). No free, credible NTM-forward P/E series for KO was locatable, so forward-equivalents of ~23.0x and ~2

PART 3 — COMBINED CASES (for reference; no selection is made)

Combination	DDM leg ($)	EV/EBITDA leg ($)	P/E leg ($)	Blend ($)	Price return	Total return	Rating (price)	Rating (total return basis)
Mechanical corrections only: A1 + $3.22 + g 5.00%	**$98.93**	$78.89	$86.94	**$92.53**	+6.4%	+8.7%	**BUY**	BUY (total-return basis)
A3 + $3.27 + g 5.00%	**$98.93**	$82.55	$88.29	**$93.53**	+7.5%	+9.9%	**BUY**	BUY (total-return basis)
A3 + $3.27 + g 4.50%	**$80.56**	$82.55	$88.29	**$82.50**	(5.2%)	(2.8%)	**SELL**	HOLD (total-return basis)