The Coca-Cola Company (KO)

Updated August 13th, 2026, by Josh Arnold

Key Metrics

Current Price:	$87	**5 Year CAGR Estimate:**	6.8%	**Market Cap:**	$373 B
Fair Value Price:	$78	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	09/15/26[1]
% Fair Value:	112%	**5 Year Valuation Multiple Estimate:**	-2.3%	**Dividend Payment Date:**	10/02/26
Dividend Yield:	2.4%	**5 Year Price Target**	$109	**Years Of Dividend Growth:**	64
Dividend Risk Score:	A	**Sector:**	Consumer Staples	**Rating:**	Hold

Overview & Current Events

Coca-Cola is the world's largest beverage company, as it owns or licenses more than 500 unique non-alcoholic brands. Since the company's founding in 1886, it has spread to more than 200 countries worldwide. It has a market capitalization of $373 billion, and its brands account for about 2 billion servings of beverages worldwide every day, producing about $48 billion in annual revenue. The company also has an exceptional 64-year dividend increase streak, making it a Dividend King.

Coca-Cola posted second quarter earnings on July 28th, 2026, and results were better than expected on both the top and bottom lines. Adjusted earnings-per-share came to 97 cents, which was four cents ahead of estimates. Revenue was up 7.2% year-over-year to $13.4 billion, beating estimates by $230 million. Organic revenue was up 6%, driven by a 4% increase in concentrate sales and a 2% contribution from price/mix. Concentrate sales were 1 point behind unit case volume due to shipment timing. Gross margin was up 120 basis points and comparable operating margin was up 90 basis points.

Free cash flow was $6.9 billion and net debt leverage was 1.4X EBITDA, which is well below the company's target of 2X to 2.5X.

We have slightly boosted our estimate of earnings-per-share to $3.30 this year after another strong quarter, exhibiting strong organic growth and margin expansion. Earnings grew at 11% year-over-year in Q2, and we see similar growth for the full year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.49	$1.91	$2.08	$2.11	$1.95	$2.32	$2.48	$2.69	$2.88	$3.00	***$3.30***	***$4.63***
DPS	$1.40	$1.48	$1.56	$1.60	$1.64	$1.68	$1.76	$1.84	$1.94	$2.04	***$2.12***	***$2.71***
Shares[2]	4288	4259	4250	4314	4323	4325	4328	4313	4301	4302	***4300***	***4300***

Coca-Cola has experienced some years of stagnation in earnings-per-share, which declined from $1.97 in 2012 and only reclaimed that high in 2018. However, now that the revenue declines have been absorbed from the bottling refranchising initiative, Coca-Cola's earnings growth has been quite strong.

Moving forward, we are forecasting 7% annual earnings-per-share growth. Unit volume and pricing remain strong, as they were again in 2025 and to start 2026. Margins continue to rise as the company manages expenses well. All this combined could produce 7% annual earnings-per-share growth moving forward. Earnings have grown every year since 2020 and we see that streak continuing indefinitely.

We also forecast the dividend rising slightly slower than earnings, producing a payout of $2.71 per share by 2031, which should be enough to keep the stock yielding more than twice that of the S&P 500.

---

[1] Estimated date

[2] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

The Coca-Cola Company (KO)

Updated August 13th, 2026, by Josh Arnold

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	25.7	23.0	21.8	24.1	25.6	23.3	25.6	21.9	21.6	23.3	***26.4***	***23.5***
Avg. Yld.	3.1%	3.2%	3.4%	3.1%	3.3%	3.1%	2.8%	3.1%	3.1%	2.9%	***2.4%***	***2.5%***

Coca-Cola's price-to-earnings ratio has been rather volatile in the past decade and today it stands at 26.4. We see fair value at 23.5 times earnings, implying a modest valuation headwind moving forward over a 5-year holding period. Meanwhile, Coca-Cola's dividend yield is currently 2.4% and the payout rises each year, offering a meaningful boost to total returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	94%	77%	75%	76%	84%	72%	71%	68%	67%	68%	***64%***	***58%***

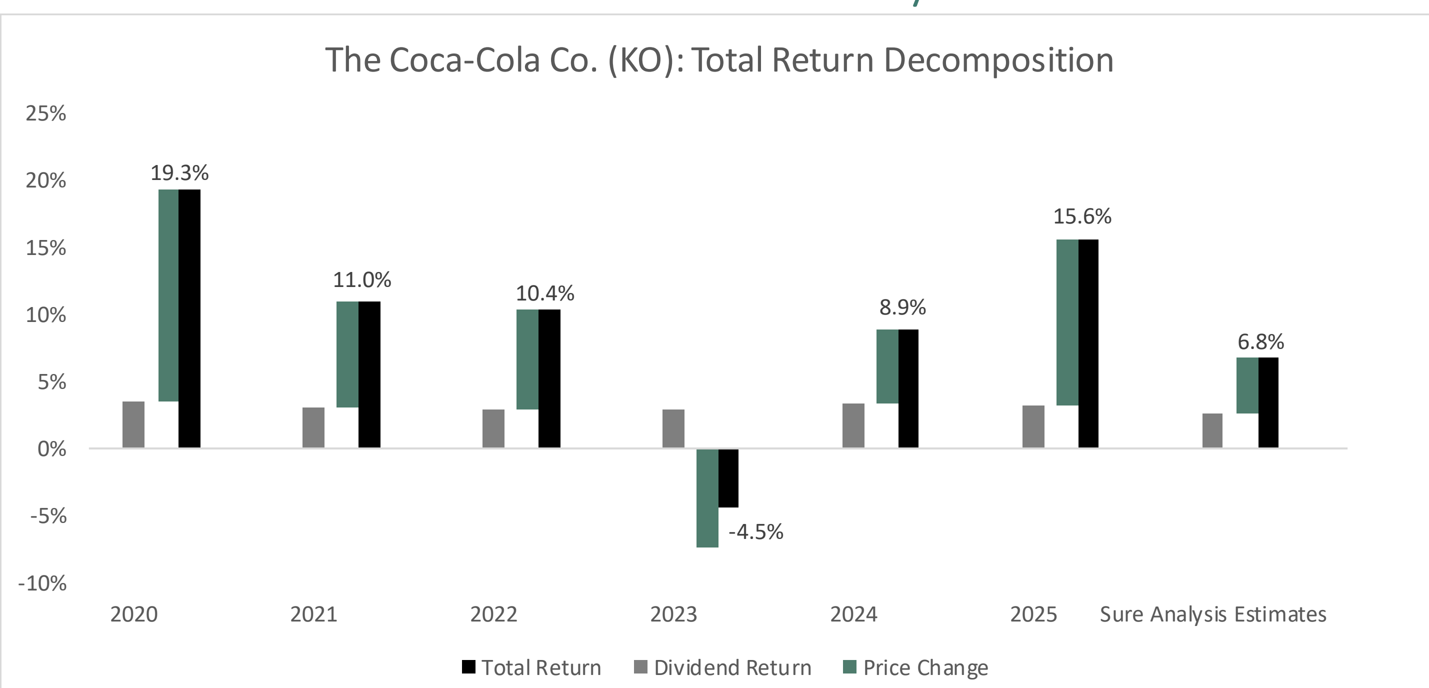
The payout ratio has been in the mid-60% range for the past few years but is below that now with rising earnings. Dividend growth will remain a priority for management, and we see the payout as safe, with room to grow, particularly with generally improving free cash flow generation.

Coca-Cola's competitive advantages include its unparalleled suite of beverage brands, as well as its efficient global distribution network. Coca-Cola is also extremely resistant to recessionary environments, having increased its earnings-per-share during and after the financial crisis. The difference with the 2020 recession is that public venues have been closed, which disproportionately impacted Coca-Cola's results, even into 2021.

Final Thoughts & Recommendation

Our estimates of 7% earnings growth, a 2.3% valuation headwind, and the company's 2.4% dividend yield, give expected total returns of 6.8% per year over the next five years. Coca-Cola could work for investors that are seeking a recession-resistant, higher-yielding consumer staple, but shares are trading above fair value. We're reiterating the stock at a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

The Coca-Cola Company (KO)

Updated August 13th, 2026, by Josh Arnold

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	41863	35410	31856	37,266	33,014	38,655	43,004	45,754	47,061	47,941
Gross Profit	25398	22154	20086	22,647	19,581	23,298	25,004	27,234	28,737	29,544
Gross Margin	60.7%	62.6%	63.1%	60.8%	59.3%	60.3%	58.1%	59.5%	61.1%	61.6%
SG&A Exp.	15262	12496	10307	12,103	9,731	12,144	12,880	7,930	14,582	14,521
D&A Exp.	1787	1260	1086	1,365	1,536	1452	1,260	1,128	1,075	1,050
Operating Profit	9750	9427	8700	10,086	9,850	11,039	10,909	13,016	9,992	13,762
Op. Margin	23.3%	26.6%	27.3%	27.1%	29.8%	28.6%	25.4%	28.4%	21.2%	28.7%
Net Profit	6527	1248	6434	8,920	7,747	9,771	9,542	10,714	10,631	13,137
Net Margin	15.6%	3.5%	20.2%	23.9%	23.5%	25.3%	22.2%	23.4%	22.6%	27.4%
Free Cash Flow	6534	5431	6280	8,417	8,667	11,258	9,534	9,747	4,741	5,296
Income Tax	1586	5560	1623	1,801	1,981	2621	2,115	2,249	2,437	2,861

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	87270	87896	83216	86,381	87,296	94,354	92,763	97,703	100,549	104,816
Cash & Equivalents	8555	6006	8926	6,480	6,795	9,684	9,519	9,366	10,828	15,806
Acc. Receivable	3856	3667	3396	3,971	3,144	3,512	3,487	3,410	3,569	3,038
Inventories	2675	2655	2766	3,379	3,266	3,414	4,233	4,424	4,728	4,425
Goodwill & Int.	21128	16636	17270	26,766	28,550	34,613	33,631	33,223	31,440	28,022
Total Liabilities	64050	68919	64158	65,283	66,012	69,494	66,937	70,223	74,177	70,541
Accounts Payable	2682	2288	8932	11,312	11,145	4,602	15,749	5,590	21,715	14,813
Long-Term Debt	45709	47685	43555	42,763	42,793	42,761	39,149	42,064	44,522	43,941
Total Equity	23062	17072	16981	18,981	19,299	22,999	24,105	25,941	24,856	32,169
LTD/E Ratio	1.98	2.79	2.56	2.25	2.22	1.86	1.62	1.62	1.79	1.41

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	7.4%	1.4%	7.5%	10.5%	8.9%	10.8%	10.2%	11.3%	10.7%	12.8%
Return on Equity	26.9%	6.2%	37.8%	49.6%	40.5%	46.2%	40.5%	40.2%	39.5%	43.3%
ROIC	9.4%	1.8%	10.0%	14.1%	12.1%	14.8%	14.4%	15.9%	15.1%	17.3%
Shares Out.	4,288	4,259	4,250	4,314	4,323	4,340	4,350	4,339	4,320	4,313
Revenue/Share	9.59	8.19	7.41	8.64	7.64	8.91	9.89	10.54	10.89	11.12
FCF/Share	1.50	1.26	1.46	1.95	2.00	2.59	2.19	2.25	1.10	1.23

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.