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Financial Statement Analysis Using Pepsico and Coca-Cola

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Abstract

The authors conduct a financial statement analysis of two corporations: Pepsico and Coca-Cola. We use financial statement data derived from the SEC Form 10K documents for each company and Yahoo Finance was used for earnings per share data. We conduct the analysis for the years from 2021 to 2025. Using detailed financial statements, this paper will highlight the strengths and weaknesses of each company. Financial ratio analysis will be used as the basis for these comparisons.

Pepsi has higher Revenue but Coca Cola's Net Income is larger. Pepscoi has higher COGS which reflects the larger size of Pepsi and has higher Gross Profit, Depreciation, and SG&A Expenses. Coke has higher liquidity and lower financial leverage. Both companies have similar turnover ratios except for Inventory Turnover and Total Asset Turnover which are higher for Pepsi. Coke had higher Net Profit Margin but Pepsi has higher return on equity. Both companies have similar Price Earnings ratios but Pepsi has a slightly higher Market to Book Value ratio. Dividend Payout Ratio for Coke is higher. Funds from operations for both companies were similar. Overall capital expenditure for Pepsi was three times capital expenditures for Coke. Coke pays a higher total dividend than Pepsi. Average net cash outflow for Pepsi was roughly equal to that for Coke.

Keywords: Pepsico, Inc., Coca Cola, Inc., income statement, balance sheet, Statement of Cash Flows, financial ratios

1. Introduction

Two criticisms leveled against college graduates by prospective employers are that students lack real world experience and that students lack communication skills. This article on Financial Statement Analysis provides faculty and students with real world experience by conducting a financial statement analysis of both Coca-Cola and Pepsi comparing the empirical results.

Horrigan (1968) states that "the usage of ratios in financial analysis can be said to have begun with the advent of the current ratio." He further argues that the use of financial ratios expanded with the Federal income tax in 1913 and the creation of the Federal Reserve System in 1914. The DuPont analysis was created at the DuPont Company in 1919 for use in financial forecasting and financial analysis. The Securities Act of 1933 expanded disclosure requirements for listed companies. Subsequently the Securities Exchange Act of 1934 created the SEC to ensure compliance with the Securities Act of 1933.

The American Accounting Association was created in 1916 to promote the teaching of accounting, aaahg.org (07/31/2026). The Financial Accounting Standards Board (FASB) was "Established in 1973, the (FASB) is the independent, private- sector, not-for-profit organization based in Norwalk, Connecticut, that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP)." https://fasb.org/about-us/about-the-fasblast reviewed on 07/31/2026.

"Financial analysis is the process of interpreting and evaluating a company's performance and position in the context of its economic environment. Financial analysis is used by analysts to make decisions and recommendations such as whether to invest in a company's debt or equity securities and at what price. A debt investor is concerned about a company's ability to pay interest and to repay the principal lent, while an equity investor is interested in a company's profitability and per share value. Overall, a central focus of financial analysis is evaluating the company's ability to

earn a return on its capital that is at least equal to the cost of that capital, to profitably grow its operations, and to generate enough cash to meet obligations and pursue opportunities." cfainstitutre.org (07/31/2026)

2. Financial Statement Analysis

An early study by Ball and Brown (1968) shows an evaluation of accounting information and Beaver (1968) analyzed the relationship between financial ratios and failure of firms. Brown and Ball (1967) analyzed the relationship between firm's earnings and industry and economic performance. Fama, et al (1967) analyze the relationship between stock prices and new information. Modigliani and Miller (1958) analyze the relationship between the cost of capital and corporate finance. Subsequent studies of financial ratios have been instrumental in developing accounting and financial theory.

Over time AACSB accreditation requirements have evolved to the point of requiring AACSB programs to demonstrate that students have achieved the learning goals listed for the program. For finance majors, learning goals include finding and collecting financial data, processing financial data, and presenting the results of the analysis of financial data. To achieve the first learning goal, the course requires the student to find data using both Yahoo! Finance and EDGAR. Yahoo! Finance is used to find the stock ticker and stock prices and returns for both companies. Company websites are used to find and download SEC Form 10-Ks for a period of years for both companies to find financial statement data and discover management's explanations of unusual events. Processing data includes a preliminary analysis of financial data for both companies using EXCEL to both compute financial ratios and then to graph the ratios. Communications skills are honed by requiring students to write a Word document not only describing the process used by students but also presenting the results of the financial statement analysis and presenting their reports to the class. This paper shows how an instructor would present this process to students in a course in financial statement analysis.

Financial ratios generally fall into one of five categories: liquidity ratios, asset management ratios, financial leverage ratios, profitability ratios, and market-based ratios. Liquidity ratios reflect the firm's ability to meet short-term financial obligations. Asset management ratios show how effective management is in using the firm's assets. Financial leverage ratios show the extent to which the firm used fixed cost financial. Financial performance ratios measure the firm's overall performance in managing the company. Market-based ratios reflect how valuable the company is to stockholders.

Financial data are taken from the Consolidated Statement of Income, the Consolidated Balance Sheet, and the Consolidated Statement of Cash Flows. In addition, Yahoo! Finance is used to find the Ticker Symbol for both companies and daily stock process. Financial data taken from the Consolidated Statement of Income include Sales/Revenue, Operating Income, EBIT, Interest Expense, Net Income, and Shares Outstanding. Financial data taken from the Consolidated Balance Sheet include Accounts Receivable, Inventory, Current Assets, Net Fixed Assets, Total Assets, Accounts Payable, Current Liabilities, Long-term Debt, Long-term Liabilities, Retained Earnings, Total Owners' Equity, and Total Liabilities and Owners' Equity. Financial data taken from the Consolidated Statement of Cash Flows include Depreciation and Cash Dividends.

The Liquidity ratios are Current Ratio and Quick Ratio. Asset Management Ratios include Days Sales Outstanding, Inventory Turnover, Net Fixed Assets Turnover, and Total asset Turnover. Financial Leverage Ratios include Total Debt Ratio, Debt to Equity Ratio, Equity Multiplier, and Times Interest Earned. Profitability Ratios include Operating Margin, Basic Earnings Power, Net Profit Margin, Return on Assets, and Return on Equity. Market Based Ratios include Earnings Per Share, Price to Earnings Ratio, Market Value to Book Value Ratio, Dividends per Share, Dividend Yield, Payout Ratio and the Retention Ratio.

There are few corporate rivalries to match that of Pepsico, Inc. and Coca Cola, Inc. Both companies generate billions of dollars in sales each year. Further, each company, from a casual observer's perspective, seems to engage in the same types of activities. Each company offers their own lineup of soda products all over the world. From an American perspective each product is ubiquitous. Signs, advertisements, and availability of these products are everywhere.

Given the similar nature of each company, a comparison of these two giants can be quite useful in understanding how companies operate. Since each company is of similar size there is no need for converting the financial statements into any common size form. A direct comparison of the Income Statements, Balance Sheets, and Statement of Cash Flows of these companies can reveal a lot about both the similarities and differences in how these titans operate.

By analyzing the results of operations of each company over a five-year period, an attempt can be made to evaluate the strengths and weaknesses of each company. We compare the performances for each company.

3. Income Statement Comparison

A comparison of each company's net income over the five-year period 2021-2025 immediately confirms that these two companies are comparable for comparison. The average net income for Pepsico, Inc. (Pepsi) over the five-year period was $8.684 billion (see Table 1) while the average net income for Coca Cola, Inc. (Coke) over that same period was $10.753 billion (see Table 2).

In the most recent year, 2025, the net income of Pepsi was $8.240 billion and the net income of Coke was $13.107 billion. If an analysis is done over the five-year period, it is evident that both companies have had roughly equal net income results (see Figure 1).

However, Pepsi average annual sales for the five-year period were $88.626 billion while Coke average annual sales were $44.511 billion. Average annual sales for Pepsi for the five-year period exceeds average annual sales for Coke by $44.114 billion. Pepsi annual sales are twice annual sales for Coca-Cola. The two to one ratio has been consistent for the five-year period.

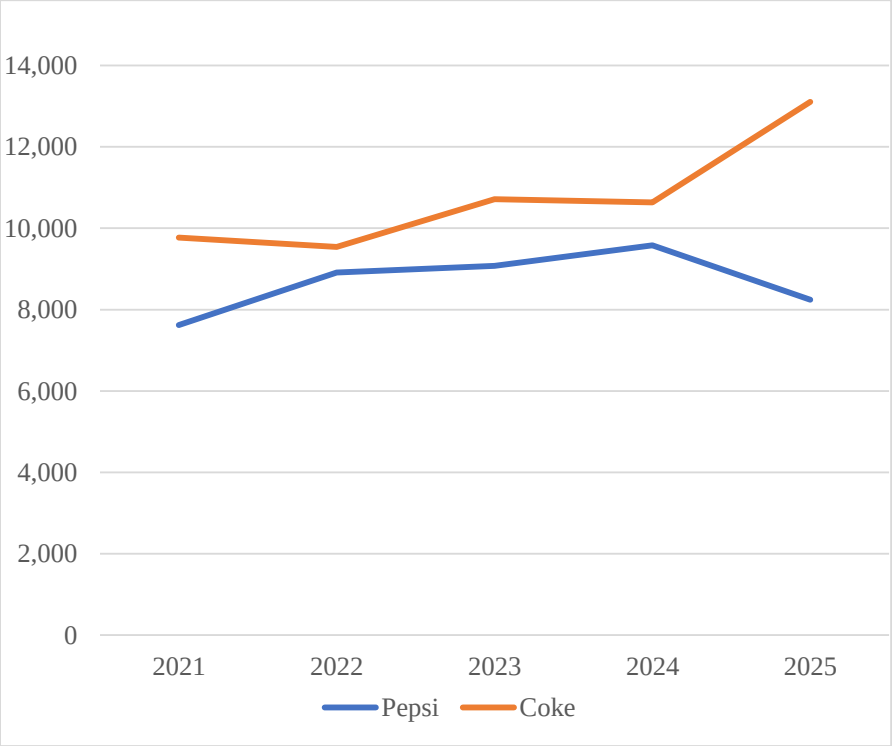

Figure 1. Comparison of Net Income

Table 1.

Differences in Net Income						
Year	2021	2022	2023	2024	2025	Average
Pepsi	7,618	8,910	9,074	9,578	8,240	8684
Coke	9,771	9,542	10,714	10,631	13,107	10753
Difference in Net Income	2,153	632	1,640	1,053	4,867	2,069
Difference in Net Income	Coke	Coke	Coke	Coke	Coke	Coke
Difference in Sales/Revenue	205%	202%	200%	196%	194%	199%

The year with the biggest difference was 2025. What happened during that year? If one looks at the five-year comparison of income statements between Pepsi and Coke, most line items are fairly close to the prior year with only small variations. In 2025, Coke's net income was $2,476 more than in 2024. The major reason for this was $3.076 billion less in unusual expenses compared to the prior year.

Coke's net income exceeded that of Pepsi in all comparison years. However, it is also apparent that the net income figures of both companies seem to be converging, with the smallest differences in net income occurring in 2022 and 2024.

Net Income is arguably the most important accounting number when it comes to determining a financial analyst's or investor's expectations. However, there are a lot of components that impact net income. Given that Coke outperformed Pepsi every year, an analyst might conclude that Coke typically outperforms Pepsi in terms of net income. Over the last 5 years, Coke's average net income was $2.069 billion higher than Pepsi's average net income.

If one wants to do a deeper analysis of income statements. A good starting place would be sales. Given the net income differences and the fact that the net income numbers are relatively close, one could reasonably expect the sales of Pepsi and the sales of Coke to be relatively close. However, that is not the case. Sales of Pepsi are roughly double that of Coke on a yearly basis.

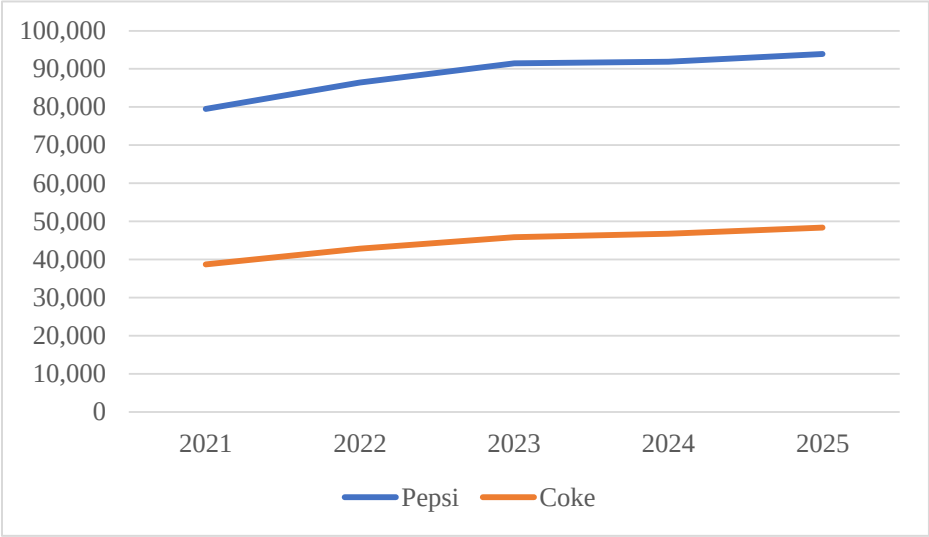

Figure 2. Comparison of Sales/Revenue

As is evident in Figure 2, the sales figures for Pepsi exceed the sales figures for Coke by two to one. On average, Pepsi's sales have exceeded Coke's sales by $44.114 billion.

Table 2.

Sales Revenue						
Year	2021	2022	2023	2024	2025	Average
Pepsi	79,480	86,403	91,468	91,853	93,924	88,626
Coke	38,726	42,841	45,831	46,766	48,392	44,511
Difference in Net Income	40,754	43,562	45,637	45,087	45,532	44,114
Company with Better Result	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi

In the most recent year, Pepsi's sales were $45.532 billion higher than Coke's sales. Given that sales figures are always in favor of Pepsi by a lop-sided margin, the most obvious question that arises is how can each company's net income be so close when the sales figures are not? Clearly, Pepsi has relatively higher expenses than Coke.

One item that could explain the difference in expenses would be Cost of Goods Sold (COGS). The most obvious explanation for the differences in expenses would in fact be COGS. Pepsi's advantage in sales could be easily negated if Pepsi has a higher COGS.

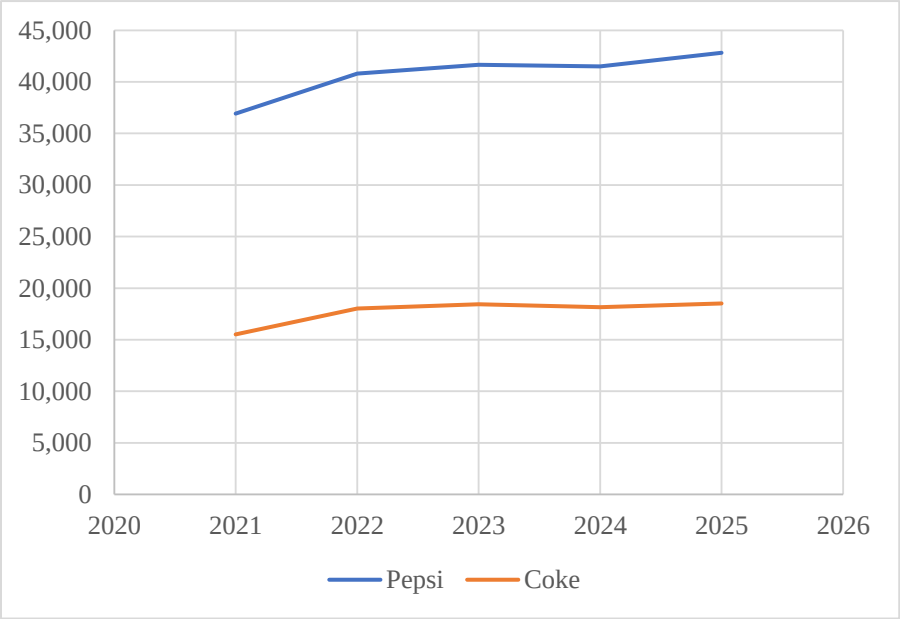

Figure 3. COGS

Table 3.

Difference in Cost of Goods Sold						
Year	2021	2022	2023	2024	2025	Average
Pepsi	36,932	40,805	41,640	41,491	42,822	40,738
Coke	15,508	18,032	18,449	18,166	18,506	17,732
Difference in Cost of Goods Sold	21,424	22,773	23,191	23,325	24,316	23,006
Difference in Net Income	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi

An analysis of COGS differences does reveal Pepsi's COGS are on average, $23.006 billion higher each year than Coke's COGS. However, this is to be expected since higher sales would result in higher COGS. Another measure of COGS differences is an examination of Gross Margin. Gross margin percentage to sales is equal to COGS divided by sales. This number shows the amount of each sales dollar that makes it to Gross Profit.

Both companies' COGS sold each year remain fairly constant without a lot of variation. Some of Pepsi's sales advantage is in fact negated by a relatively higher COGS amount, but not by much. On average, Pepsi actually has a 6.10% higher gross margin than Coke.

Table 4.

Gross Margin %						
Year	2021	2022	2023	2024	2025	Average
Pepsi Gross Margin %	46.47%	47.23%	45.52%	45.17%	45.59%	46.00%
Coke Gross Margin %	40.05%	42.09%	40.25%	38.84%	38.24%	39.90%
Difference in Gross Margin %	6.42%	5.14%	5.27%	6.33%	7.35%	6.10%
Company with Better Result	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi

Coke's lower Gross Margin % obviously isn't what negates the roughly 200% advantage Pepsi holds in sales. In fact, Pepsi's COGS per sales dollar is slightly lower than that of Coke. Pepsi always has the higher Gross Income by quite a bit.

The differences in Gross Profit between the companies needs to be explained by expenses other than COGS. On average Pepsi's Income is $21.109 billion higher than Coke's Gross Income. If one looks at the income statements in

Tables 1 and 2, it becomes apparent that Pepsi has higher Depreciation and Amortization (Depreciation) and Selling, General, and Administrative (SG&A) Expenses.

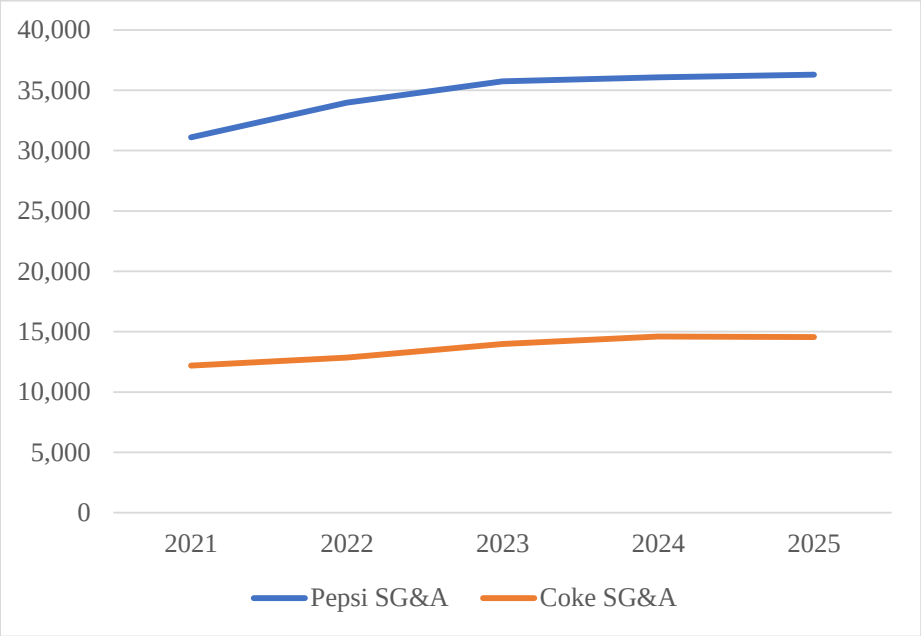

Figure 4. Comparison of SG&A Expenses

Table 5.

SG&A Expenses	2021	2022	2023	2024	2025	Average
Pepsi SG&A	31,089	33,968	35,741	36,067	36,287	34,630
Coke SG&A	12,178	12,859	13,977	14,599	14,544	13,631
Difference in SG&A Expenses	18,911	21,109	21,764	21,468	21,743	20,999
Company with Better Result	Coke	Coke	Coke	Coke	Coke	Coke

Pepsi has higher SG&A expenses than Coke. It seems that Pepsi and Coke are following the same trends in SG&A as they are with sales figures. Both figures for each company are steadily increasing by small percentage amounts each year.

A comparison of the above amounts for SG&A Expenses are similar to the differences in Gross Income. Therefore, it can be said that while Pepsi holds an advantage in yearly Gross Income, this advantage is negated by Pepsi's higher SG&A Expenses. Pepsi has an average Gross Income that is $21.109 billion higher than Coke's, but they also have SG&A Expenses that are, on average, $20.999 billion higher than Coke's SG&A Expenses.

Pepsi exceeds Coke in Sales and Gross Income. This advantage does not translate to a higher net income than Coke because Pepsi's higher sales result in higher SG&A Expenses.

4. Balance Sheet Comparisons

A comparison of the Balance Sheets of Pepsi and Coke (see Tables 3 and 4) reveal very similar numbers. On average, Pepsi's current assets are $24.756 billion while Coke's current assets are $25.782. Pepsi's average total assets are $98.385 billion while Coke's average total assets are $98.037 billion.

Which of these companies has higher leverage? On average Pepsi's average current liabilities are $29.79 billion and its total average liabilities are $80.229 billion. Coke's average current liabilities are $21.955 billion, and its total average liabilities are $70.274 billion. Pepsi's average stockholder's equity is $18.156 billion while Coke's average stockholder's equity is $27.763 billion. So, Pepsi uses more financial leverage than Coke.

Table 6.

Balance Sheet Comparisons						
Year	2021	2022	2023	2024	2025	Average
Total Current Assets						
Pepsi	21,730	21,499	26,883	25,768	27,901	24,756
Coke	22,545	22,591	26,732	25,997	31,044	25,782
Total Assets						
Pepsi	92,377	92,187	100,495	99,467	107,399	98,385
Coke	94,354	92,763	97,703	100,549	104,816	98,037
Total Current Liabilities						
Pepsi	26,220	26,785	31,647	31,536	32,764	29,790
Coke	19,950	19,724	23,571	25,249	21,281	21,955
Total Liabilities						
Pepsi	76,226	74,914	81,858	81,296	86,852	80,229
Coke	69,494	66,937	70,223	74,177	70,541	70,274
Stockholder's Equity						
Pepsi	16,151	17,273	18,637	18,171	20,547	18,156
Coke	24,860	25,826	27,480	26,372	34,275	27,763

5. Financial Statement Comparison

At this point, having looked at both the income statements and balance sheets, the best way to compare and evaluate the relative performance of each company is by using financial ratio analysis.

Liquidity Ratios measure a company's ability to meet short-term financial obligations. If the Current Ratio is a going concern ratio, the Quick Ratio is a distress ratio. In effect, the Quick Ratio indicates how much each company has in short-term incoming cash flows to outgoing cash flows, excluding Inventory. The rationale is that during distress period, inventory may not turnover as much as usual and may not be sufficiently liquid. Once again, Coke has the higher ratio in 2025 and on average. However, the differences in ratios are not significant. Neither company has a significant advantage over the other.

Table 7.

Liquidity Ratios						
Year	2021	2022	2023	2024	2025	Average
Pepsi Current Assets	21,730	21,499	26,883	25,768	27,901	24,756
Pepsi Current Liabilities	26,220	26,785	31,647	31,536	32,764	29,790
Pepsi Current Ratio	0.83	0.80	0.85	0.82	0.85	0.83
Coke Current Assets	22,545	22,591	26,732	25,997	31,044	25,782
Coke Current Liabilities	19,950	19,724	23,571	25,249	21,281	21,955
Coke Current Ratio	1.13	1.15	1.13	1.03	1.46	1.18
Pepsi Current Assets	21,730	21,499	26,883	25,768	27,901	24,756
Pepsi Inventory	4,347	5,222	5,334	5,306	5,845	5,211
Pepsi Current Liabilities	26,220	26,785	31,647	31,536	32,764	29,790
Pepsi Quick Ratio	0.66	0.61	0.68	0.65	0.67	0.66
Coke Current Assets	22,545	22,591	26,732	25,997	31,044	25,782
Coke Inventory	3,414	4,233	4,424	4,728	4,425	4,245
Coke Current Liabilities	19,950	19,724	23,571	25,249	21,281	21,955
Coke Quick Ratio	0.96	0.93	0.95	0.84	1.25	0.98

The Cash Ratio is the most stringent measure of liquidity. It only looks at the most liquid asset, cash, as being available to match current liabilities. In 2025, Coke's Cash Ratio of 0.48 was much higher than Pepsi's Cash Ratio of 0.28. On average, Coke has a higher quick ratio than Pepsi. The disparity in the cash ratios may indicate that Coke may have too much cash on hand. This means they may not be utilizing excess cash for potential investment opportunities or alternative uses.

Table 8.

Cash Ratio						
Year	2021	2022	2023	2024	2025	Average
Pepsi Cash	5,596	4,954	9,711	8,505	9,159	7,585
Pepsi Current Liabilities	26,220	26,785	31,647	31,536	32,764	29,790
Pepsi Cash Ratio	0.21	0.18	0.31	0.27	0.28	0.25
Coke Cash	9,684	9,519	9,366	10,828	10,270	9,933
Coke Current Liabilities	19,950	19,724	23,571	25,249	21,281	21,955
Coke Cash Ratio	0.49	0.48	0.40	0.43	0.48	0.46

Solvency Ratios measure the firm's long-term financial health or ability to meet long-term financial obligations. The total debt ratio is equal to the ratio of total debt to total assets. In terms of solvency, Pepsi's 2025 and average Debt Ratios are slightly higher than Coke's. However, neither company is in any immediate danger of becoming insolvent.

Table 9.

Total Debt to Total Assets						
Year	2021	2022	2023	2024	2025	Average
Pepsi Total Liabilities	76,226	74,914	81,858	81,296	86,852	80,229
Pepsi Total Assets	92,377	92,187	100,495	99,467	107,399	98,385
Pepsi Total Debt Ratio	0.83	0.81	0.81	0.82	0.81	0.82
Coke Total Liabilities	69,494	66,937	70,223	74,177	70,541	70,274
Coke Total Assets	94,354	92,763	97,703	100,549	104,816	98,037
Coke Total Debt Ratio	0.74	0.72	0.72	0.74	0.67	0.72

Times Interest Earned measures a company's ability to pay the interest on the funds it has borrowed. A company with a higher Times Interest Earned Ratio has more EBIT relative to interest obligations. Consequently, the firm's EBIT can drop further without being unable to meet interest payment obligations. In 2025, Pepsi's ratio was higher than Coke's, and on average Pepsi's ratio is higher. Regardless, neither company appears to be in any danger of failing to meet its interest obligations. Both companies have S&P Global Bond Ratings of "A+".

Table 10.

Times Interest Earned Ratio						
Year	2021	2022	2023	2024	2025	Average
Pepsi EBIT	11,459	11,630	14,087	14,295	14,815	13,257
Pepsi Interest Expense	1,743	780	850	919	1,183	1,095
Pepsi Times Interest Earned	6.57	14.91	16.57	15.55	12.52	13.23
Coke EBIT	10,806	11,953	13,191	13,833	15,183	12,993
Coke Interest Expense	747	861	1,541	1,653	1,651	1,291
Coke Times Interest Earned	14.47	13.88	8.56	8.37	9.20	10.89

Cash coverage ratio equals earnings before interest and taxes + depreciation / interest expense. The Cash Coverage Ratio is a better measure of a company's ability, ignoring non-cash expenses, to meet its interest obligations. Once again, in 2025, Pepsi had the higher ratio, and over the last several years Pepsi has had the higher ratio. It's clear that neither company is in any danger of missing any interest payments.

Table 11.

Cash Coverage Ratio						
Year	2021	2022	2023	2024	2025	Average
Pepsi EBIT	11,459	11,630	14,087	14,295	14,815	13,257
Pepsi Depreciation	2,619	2,685	2,873	3,741	4,095	3,203
Pepsi Interest Expense	1,743	780	850	919	1,183	1,095
Pepsi Cash Coverage Ratio	5.07	11.47	13.19	11.48	9.06	9.18
Coke EBIT	10,806	11,953	13,191	13,833	15,183	12,993
Coke Depreciation	1,277	1,138	1,034	1,014	978	1,088
Coke Interest Expense	747	861	1,541	1,653	1,651	1,291
Coke Cash Coverage Ratio	12.76	12.56	7.89	7.75	8.60	9.22

Inventory turnover is sales divided by inventory. Pepsi seems to be using inventory more efficiently than Coke. On average, Pepsi buys and sells its inventory 8.11times to Coke's 4.33 times. Day's Sales in Inventory is closely related to inventory turnover. Therefore, it is apparent that Pepsi is taking less time to sell its inventory than Coke. On average it takes Pepsi 45.10 days to sell its inventory whereas it takes Coke 86 days to sell its inventory. That is a difference of 84.77 days. Clearly, Pepsi is more efficient than Coke selling its inventory.

Table 12.

Inventory Turnover						
Year	2021	2022	2023	2024	2025	Average
Pepsi COGS	36,932	40,805	41,640	41,491	42,822	40,738
Pepsi Beginning Inventory	4,172	4,347	5,222	5,334	5,306	4,876
Pepsi Ending Inventory	4,347	5,222	5,334	5,306	5,845	5,211
Pepsi Inventory Turnover	8.67	8.53	7.89	7.80	7.68	8.11
Pepsi Days Sales in Inventory	42.10	42.80	46.26	46.80	47.52	45.10
Coke COGS	15,508	18,032	18,449	18,166	18,506	17,732
Coke Beginning Inventory	3,266	3,414	4,233	4,424	4,728	4,013
Coke Ending Inventory	3,414	4,233	4,424	4,728	4,425	4,245
Coke Inventory Turnover	4.64	4.72	4.26	3.97	4.04	4.33
Coke Days Sales in Inventory	78.61	77.39	85.64	91.94	90.26	84.77

Accounts receivables turnover is equal to sales divided by accounts receivable. Accounts receivables are equal to accounts receivables divided by sales per day. Accounts Receivables Turnover is a measure of how frequently a company is able to collect its outstanding accounts receivable. Coke has a fairly large advantage as their receivables turnover which is twice the size of Pepsi's. In 2025, Coke's Accounts Receivable Turnover ratio was 14.65 compared to Pepsi's 8.6. The average for the time period for Coke is 13.00 and the average for Pepsi is 8.89. Pepsi has a faster A/R turnover ratio.

It is important for a company to collect the money owed by customers reflected in accounts receivable as soon as possible. It takes Pepsi 41.10 days to collect its accounts receivable whereas it takes Coke only 28.27 days to collect its accounts receivable. That is a 15-day advantage in favor of Coke. In 2025, Coke had Days Sales in Receivable of 24.92 compared to Pepsi's 42.43.

Table 13.

Accounts Receivables Turnover						
	2021	2022	2023	2024	2025	Average
Pepsi Sales	79,480	86,403	91,468	91,853	93,924	88,626
Pepsi Beginning A/R	8,480	8,680	10,163	10,815	10,333	9,694
Pepsi Ending A/R	8,680	10,163	10,815	10,333	11,506	10,299
Pepsi A/R Turnover	9.26	9.17	8.72	8.69	8.60	8.89
Pepsi Days Sales in A/R	39.40	39.80	41.86	42.02	42.43	41.10
Coke Sales	38,726	42,841	45,831	46,766	48,392	44,511
Coke Beginning A/R	3,266	3,512	3,487	3,410	3,569	3,449
Coke Ending A/R	3,512	3,487	3,410	3,569	3,038	3,403
Coke A/R Turnover	11.43	12.24	13.29	13.40	14.65	13.00
Coke Days Sales in A/R	31.94	29.82	27.46	27.23	24.92	28.27

Total Asset Turnover measures how effectively a company is in managing its total assets to generate sales. In this category, Pepsi has the advantage in this category. Pepsi has an average inventory turnover of 45.10 days and Coke has an average total asset turnover of 0.91 days and Coke has an average total asset turnover of 0.46 days. In 2025, Pepsi's ratio was 0.91 compared to Coke's ratio of 0.47. On average, Pepsi's total asset turnover is roughly double that of Coke's. These ratios are consistent over the period studied.

Table 14.

Total Asset Turnover						
	2021	2022	2023	2024	2025	Average
Pepsi Sales	79,480	86,403	91,468	91,853	93,924	88,626
Pepsi Beginning Assets	92,377	92,377	92,187	100,495	99,467	95,381
Pepsi Ending Assets	92,377	92,187	100,495	99,467	107,399	98,385
Pepsi Asset Turnover	0.86	0.94	0.95	0.92	0.91	0.91
Coke Sales	38,726	42,841	45,831	46,766	48,392	44,511
Coke Beginning Assets	87,296	94,354	92,763	97,703	100,549	94,533
Coke Ending Assets	94,354	92,763	97,703	100,549	104,816	98,037.00
Coke Asset Turnover	0.43	0.46	0.48	0.47	0.47	0.46

Profitability Ratios indicate how efficiently the company is using assets. Companies with higher profitability ratios are operating more efficiently. Profit Margin Percentage = equals Net Income/Sales. In 2025 and on average, Coke's Profit Margin is 2.50 times the net profit margin for Pepsi. This means that more of Coke's sales dollars make it to net income than Pepsi's. In 2025, Coke's Profit Margin was 27.09%, compared to Pepsi's 8.77%.

Table 15.

Profit Margin						
Year	2021	2022	2023	2024	2025	Average
Pepsi Net Income	7,618	8,910	9,074	9,578	8,240	8,684
Pepsi Sales	79,480	86,403	91,468	91,853	93,924	88,626
Pepsi Profit Margin	9.58%	10.31%	9.92%	10.43%	8.77%	9.80%
Coke Net Income	9,771	9,542	10,714	10,631	13,107	10,753
Coke Sales	38,726	42,841	45,831	46,766	48,392	44,511
Coke Profit Margin	25.23%	22.27%	23.38%	22.73%	27.09%	24.14%

Return on assets is equal to net Income divided by average total assets. Return on assets measures the return a company earns on the assets the firm uses. Coke earned a return on assets of for 2025 of 12.76% compared to Pepsi's return on assets of 7.97%. On average, Coke has a higher return on assets of 11.26% versus Pepsi's return on assets of 9.13%

Table 16.

Return On Assets						
Year	2025	2024	2023	2022	2021	Average
Pepsi Net Income	8,240	9,578	9,074	8,910	8,951	8,951
Pepsi Beginning Assets	99,467	100,495	92,187	92,377	96,132	96,132
Pepsi Ending Assets	107,399	99,467	100,495	92,187	99,887	99,887
Pepsi Return on Assets	7.97%	9.58%	9.42%	9.66%	9.13%	9.15%
Coke Net Income	13,107	10,631	10,714	9,542	10,999	10,999
Coke Beginning Assets	100,549	97,703	92,763	94,354	96,342	96,342
Coke Ending Assets	104,816	100,549	97,703	92,763	98,958	98,958
Pepsi Return on Assets	12.76%	10.72%	11.25%	10.20%	11.26%	11.24%

Return on equity equals net income / average total equity. Equity represents the investment of the shareholders in each company. It is the primary mission of each company's Board of Directors and Management to maximize the return to the shareholders. The goal is to maximize the value of the firm. Pepsi's average Return on Equity is 49.58% compared to Coke's average of 40.16%. In 2025, Pepsi's Return on Equity of 42.56% was lower than Coke's return of 43.22%. It was the only year in which Coke had the higher return on equity.

Table 17.

Return on Equity						
Year	2021	2022	2023	2024	2025	Average
Pepsi Net Income	8,951	8,910	9,074	9,578	8,240	8,951
Pepsi Beginning Equity	17,558	16,151	17,273	18,637	18,171	17,558
Pepsi Ending Equity	18,657	17,273	18,637	18,171	20,547	18,657
Pepsi Return on Equity	49.43%	53.31%	50.54%	52.04%	42.56%	49.6%
Coke Net Income	10,999	9,542	10,714	10,631	13,107	10,999
Coke Beginning Equity	26,135	24,860	25,826	27,480	26,372	26,135
Coke Ending Equity	28,488	25,826	27,480	26,372	34,275	28,488
Coke Return on Equity	40.27%	37.65%	40.20%	39.48%	43.22%	40.2%

6. Market Value Ratios

Market value ratios represent how much the market is willing to pay for each dollar of earnings the company returns to shareholders. More profitable firms will have higher market values relative to performance.

Earnings Per Share is equal to net income divided by the weighted average common shares outstanding. Earnings Per Share information was provided by Yahoo! Finance for both Coke and Pepsi. Along with Net Income, Earnings Per Share is one of the more important numbers that financial analysts use. Pepsi has fewer shares outstanding than Coke, so given the similar net incomes of each company, Pepsi's EPS is going to be higher than Coke's In 2025, Pepsi's EPS was $6.00 per share compared to Coke's $3.04 EPS. These numbers are close to the average EPS for each company.

Table 18.

Earnings Per Share						
Year	2021	2022	2023	2024	2025	Average
Pepsi EPS (Basic)	5.48	6.42	6.56	6.95	6.00	6.28
Coke EPS (Basic)	2.25	2.19	2.47	2.46	3.04	2.48
Difference	3.23	4.23	4.09	4.49	2.96	3.80
Company with Better EPS	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi

Price-to-Earnings Ratio equals price per share / earnings per share. The Price-to-Earnings Ratio determines how much investors are willing to pay for each dollar of earnings generated by each company. On average, investors are willing to pay $25.30 per $1 of earnings for Coke and $24.13 per $1 of earnings for Pepsi. In 2025 the numbers were closer, with Pepsi's PE ratio increasing to $23.71 and Coke's falling to $23.00.

Table 19.

Price to Earnings Ratio						
Year	2021	2022	2023	2024	2025	Average
Pepsi Price Per Share	151.88	162.18	156.84	144.92	142.25	151.61
Pepsi EPS (Basic)	5.48	6.42	6.56	6.95	6.00	6.28
Pepsi Price to Earnings Ratio	27.72	25.26	23.91	20.85	23.71	24.13
Coke Price Per Share	59.21	63.61	58.93	62.26	69.91	62.78
Coke EPS (Basic)	2.25	2.19	2.47	2.46	3.04	2.48
Coke Price to Earnings Ratio	26.32	29.05	23.86	25.31	23.00	25.30

Book value per share is equal to total shareholders' equity divided by the weighted average common book value per share outstanding. Pepsi's book value per share is 13.16 which the higher than Coke's book value per share of 6.43.

Table 20.

Book Value per Share						
Year	2021	2022	2023	2024	2025	Average
Pepsi Equity	16.15	17.27	18.64	18.17	20.55	18.16
Pepsi O/S Shares	1.38	1.38	1.38	1.38	1.37	1.38
Pepsi Book Value Per Share	11.69	12.52	13.48	13.19	14.97	13.16
Coke Equity	24.86	25.83	27.48	26.37	34.28	27.76
Coke O/S Shares	4.32	4.34	4.32	4.31	4.30	4.32
Coke Book Value Per Share	5.75	5.95	6.36	6.12	7.97	6.43

Market-to-Book-Value Ratio is equal to market value per share divided by book value per share. The Market-to-Book-Value ratio is an indication of how the market values each share of a company's stock. The higher the ratio, the better. Even though Pepsi and Coke have different amounts of shares outstanding, this ratio is a direct comparison of how the market values each company. On average, investors are willing to pay $11.52 for each $1 of book value per share for Pepsi. In 2025, they were willing to pay $9.51 for each $1 of book value per share. On average, investors are willing to pay $9.76 for each $1 of book value per share for Coke. In 2025, investors were willing to pay $8.77 for each $1 of book value per share. So, based on this ratio, investors are willing to pay, on average, $1.76 more for Pepsi than Coke per $1 of book value. This financial ratio indicates that the market has higher optimism for Pepsi than Coke. A few more ratios can be used to analyze dividends, stock price, and book value.

Table 21.

Market Price to Book Value						
Year	2021	2022	2023	2024	2025	Average
Pepsi Price Per Share	151.88	162.18	156.84	144.92	142.25	151.61
Pepsi Book Value Per Share	11.69	12.52	13.48	13.19	14.97	13.17
Pepsi Market to Book Value Ratio	13.00	12.96	11.64	10.99	9.51	11.52
Coke Price Per Share	59.21	63.61	58.93	62.26	69.91	62.78
Coke Book Value Per Share	5.75	5.95	6.36	6.12	7.97	6.43
Coke Market to Book Value Ratio	10.29	10.69	9.26	10.18	8.77	9.76

Dividend Payout Ratio is equal to dividends paid divided by net income. The dividend payout ratio for both companies is similar. Pepsi's dividend payout ratio is 0.77 for the period while Coke's payout ratio is 0.74. Pepsi has a higher dividend payout ratio for 21025 of 0.93, versus a payout ratio for Coke is only 0.67.

Table 22.

Dividend Payout Ratio						
Year	2021	2022	2023	2024	2025	Average
Pepsi Total Dividends Paid	5815	6172	6682	7229	7638	6707
Pepsi Net Income	7618	8910	9074	9578	8240	8684
Pepsi Dividend Payout Ratio	0.76	0.69	0.74	0.75	0.93	0.77
Coke Total Dividends Paid	7252	7616	7952	8359	8779	7992
Coke Net Income	9771	9542	10714	10631	13107	10753
Coke Dividend Payout Ratio	0.74	0.80	0.74	0.79	0.67	0.74

Earnings per share equals per share. Earnings Per Share shows how much money was earned per each share. The Dividends Per Share is the actual amount of cash paid per share. It would be highly unusual for a company to pay more in dividends than they earned per share, but as long as a company has the retained earnings absorb the difference between higher dividends than Earnings Per Share it is technically possible. Nevertheless, its insightful to see what percentage of Earnings Per Share are retained by each company for reinvestment into ongoing operations.

Table 23.

Earnings Per Share						
Year	2021	2022	2023	2024	2025	Average
Pepsi Dividends Paid	5.815	6.172	6.682	7.229	7.638	6.71
Pepsi O/S Shares	1.382	1.380	1.383	1.378	1.373	1.38
Pepsi Dividends Per Share	4.21	4.47	4.83	5.25	5.56	4.86
Pepsi EPS (Basic)	5.48	6.42	6.56	6.95	6.00	6.28
Coke Dividends Paid	7.252	7.616	7.952	8.359	8.779	7.99
Coke O/S Shares	4.320	4.339	4.320	4.310	4.302	4.32
Coke Dividends Per Share	1.68	1.76	1.84	1.94	2.04	1.85
Coke EPS (Basic)	2.25	2.19	2.47	2.46	3.04	2.48

The retention ratio is equal to (earnings per share minus dividends per share) divided by earnings per share. If a company does not pay out net income as dividends, then those funds are retained to grow the business. On average, Pepsi retains roughly the same amount of net income as Coke. On average, Pepsi's retention ratio is .22 and Coke's is .25. In 2025, Pepsi's retention ratio was .07 to Coke's .33. The year 2025 was the only year in which there was a significant difference in Retention Ratios.

Table 24.

Dividend Retention Ratio						
Year	2021	2022	2023	2024	2025	Average
Pepsi EPS	5.48	6.42	6.56	6.95	6.00	6.28
Pepsi Dividends Per Share	4.21	4.47	4.83	5.25	5.56	4.86
Pepsi Retention Ratio	0.23	0.30	0.26	0.25	0.07	0.22
Coke EPS	2.25	2.19	2.47	2.46	3.04	2.48
Coke Dividends Per Share	1.68	1.76	1.84	1.94	2.04	1.85
Coke Retention Ratio	0.25	0.20	0.25	0.21	0.33	0.25

7. Statement of Cash Flows Analysis

A comparison of Pepsi and Coke's Statements of Cash Flows shows that Pepsi's Net Operating Cash Flow is trending upwards while Coke's statement of Cash Flows is trending downwards. In 2025, Pepsi's funds from operations were $12.087 billion to Coke's $7.408 billion. On average Pepsi's funds from operations were $12.093 billion to Coke's $9.891 billion.

Investing Activities, Pepsi's capital cash expenditures in 2025 were $6.879 billion to Coke's $1.271 billion. On average Pepsi's Net Investing Cash flow was $4.709 billion to Coke's $616 million.

Table 25.

Operating and Net Investing Cash Flows						
Year	2021	2022	2023	2024	2025	Average
Pepsi Net Operating Cash Flow	11616	10811	13442	12507	12087	12093
Coke Net Operating Cash Flow	12625	11018	11599	6805	7408	9891
Difference	1009	207	1843	5702	4679	2688
Higher Operating Cash Flow	Coke	Coke	Pepsi	Pepsi	Pepsi	Pepsi
Pepsi Net Investing Cash Flow	-3,269	-2,430	-5,495	-5,472	-6,879	-4,709
Coke Net Investing Cash Flow	-2,765	-763	-3,349	2,524	1,271	-616
Difference	-504	-1,667	-2,146	-7,996	-8,150	-4,093
Higher Investing Cash Flow	Coke	Coke	Coke	Coke	Coke	Coke

Coke's Sales of Fixed Assets and Businesses were $4.918 billion in 2025 compared to Pepsi's $567 million. On average Pepsi's Sales of Fixed Assets and Businesses were $1.088 billion to Coke's $2.354 billion. Pepsi spends an additional $1,266 billion more than Coke in terms of net investing in cash. In 2025, Pepsi's Capital Expenditures were $4.415 billion compared to Coke's $2.112 billion. On average, Pepsi's Capital Expenditures were $5.017 billion to Coke's $1.776 billion. Pepsi is clearly spending more money on capital equipment than Coke.

Table 26.

Capital Expenditures						
Year	2021	2022	2023	2024	2025	Average
Pepsi Sale of Fixed Assets & Businesses	335	3756	273	508	567	1088
Coke Sale of Fixed Assets & Businesses	2288	533	504	3525	4918	2354
Difference	1,953	3,223	231	3,017	4,351	1,266
Higher Cash Flow	Coke	Pepsi	Coke	Coke	Coke	Coke
Pepsi Capital Expenditures (Fixed Assets)	-4625	-5207	-5518	-5318	-4415	-5017
Coke Capital Expenditures (Fixed Assets)	-1367	-1484	-1852	-2064	-2112	-1776
Difference	3258	3723	3666	3254	2303	3241
Higher Cash Outflow	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi	Pepsi

The final area for comparison is financing activities. Both companies have negative Net Financing Cash Flows each year. In 2025, Pepsi's negative Net Financing Cash Flow was $4.979 billion to Coke's $9.478 billion. On average, Pepsi's negative Net Financing Cash Flow is $6.969 billion to Coke's negative $8.347 billion.

Table 27.

Net Financing						
Year	2021	2022	2023	2024	2025	Average
Pepsi Net Financing Cash Flow	-10780	-8523	-3009	-7556	-4979	-6969
Coke Net Financing Cash Flow	-6786	-10250	-8310	-6910	-9478	-8347
Difference	3994	1727	5301	646	4499	-1377
Higher Cash Flow	Pepsi	Coke	Coke	Pepsi	Coke	Coke

Each company pays a significant Dividends. In 2025, Pepsi paid $7.638 billion in Dividends compared to Coke's $8.779 billion. On average, Pepsi paid out $6.707 billion in Dividends compared to Coke's $7.992 billion.

Table 28.

Dividends						
Year	2021	2022	2023	2024	2025	Average
Pepsi Dividends Paid	5.815	6.172	6.682	7.229	7.638	6.707
Coke Dividends Paid	7.252	7.616	7.952	8.359	8.779	7.992
Difference	1.437	1.444	1.270	1.130	1.141	1.284
Higher Cash Flow	Coke	Coke	Coke	Coke	Coke	Coke

On average, each company has increased its Debt. In 2021, Pepsi used $4.177 billion to retire Debt, but in 2025, Pepsi issued Debt of $4.107 billion. Coke issued $13 million in Debt in 2025 and $1.857 in 2023. On average, the difference is not large. Pepsi has increased its Debt by an average of $353 million each year while Coke has increased its Debt by an average of $734 per year.

Table 29.

Lont-term Debt						
Year	2021	2022	2023	2024	2025	Average
Pepsi Issuance/Reduction of Debt, Net	-4177	-797	2477	156	4107	353
Coke Issuance/Reduction of Debt, Net	228	-958	1857	2528	13	734
Difference	-4405	161	620	2372	4094	-380
Company with Higher Net Cash Flow from Issuance/Reduction of Debt	Pepsi	Coke	Pepsi	Coke	Pepsi	Coke

The long-term debt ratio for Pepsi increased from $4.122 billion in 2021 to $8.189 billion dollars in 2025. Long-term debt increased from $11.258 billion in 2021 to $5.296 in 2025. Coke issued more long-term debt from 2021 to 2023 and Pepsi issued more long-term debt from 2024 to 2025. Coke issued an average of $1.039 billion dollars of long-term debt on average.

Table 30.

Change in Long-term Debt						
Year	2021	2022	2023	2024	2025	Average
Pepsi Debt	4122	3377	5482	4042	8189	5042
Coke Debt	-8299	-4174	-3005	-3886	-4082	-4689
Difference	-4177	-797	2477	156	4107	353

Free Cash Flow is the amount of money a company has available to pay cash dividends after deducting capital expenditures and operating expenses. In 2025 and 2024 Pepsi had the higher free cash flow. On, average Coke's free cash flow of $8.115 billion is higher than Pepsi's free cash flow of $7.076 billion.

Table 31.

Free Cash Flow						
Year	2021	2022	2023	2024	2025	Average
Pepsi Free Cash Flow	6991	5604	7924	7189	7672	7076
Coke Free Cash Flow	11258	9534	9747	4741	5296	8115
Difference	4267	3930	1823	2448	2376	1039
Higher Free Cash Flow	Coke	Coke	Coke	Pepsi	Pepsi	Coke

In terms of Net Cash Flow, in 2025 Pepsi's was $651 million while Coke's Net Cash Flows were a negative $478 million. One average, Pepsi had a $190 million Net Cash Flow while Coke had a $780 million Net Cash Flow.

Table 32.

Change in Cash						
Year	2021	2022	2023	2024	2025	Average
Net Change in Cash	-2547	-607	4661	-1208	651	190
Net Change in Cash	2915	-200	-133	1796	-478	780
Difference	4267	3930	1823	-3004	1129	1039
Higher Net Cash Flow	Coke	Coke	Coke	Pepsi	Pepsi	Coke

8. Conclusions

It would be very hard for someone to definitively state that either Coke or Pepsi is an efficiently run company. Pepsi and Coke are both very strong and stable companies. Except for 2025, Coke and Pepsi have almost identical net incomes and there several similarities between these companies.

One of the biggest differences between Pepsi and Coke is their Net Sales. Pepsi's Net Sales exceed that of Coke's by an average of $40.754 billion. However, this does not translate into a similar difference in terms of Net Income. Pepsi is able to generate much more in sales, but the higher expenses associated with the higher sales negate this advantage and it does not make it to the bottom line.

Since each company offers a wide array of products, it is hard to make one on one comparisons. For example, what are the sales of regular Pepsi versus regular Coke, Diet Pepsi versus Diet Coke, and Sierra Mist versus Sprite? Each company makes drinks which are unique to specific markets throughout the world. It is impossible to tell if Pepsi could handle a decline in soft drink sales better than Coke despite its large advantage in overall sales.

Based on a Cash Flow Statement Analysis, Pepsi is spending more on capital acquisitions. The balance sheet shows that Pepsi has higher levels of Property, Plant, and Equipment than Coke. However, it's hard to say which company is best poised to handle current demand or future growth.

Pepsi uses more financial leverage than Coke, so it's no surprise that Pepsi has a much higher Earnings Per Share value than Coke. Pepsi has a more diverse product line that Coke.

In terms of liquidity ratios, it's obvious that neither company is in any danger of failing to meet its debt obligations. However, Coke does have a slightly higher cash balance than Pepsi.

Based on the asset management ratios, it appears that Pepsi is doing a better job turning over its inventory. Coke however, is better at turning over its accounts receivables. Pepsi has a higher profit margin than Coke. However, Pepsi and Coke have almost identical Returns on Equity.

It is somewhat difficult to make direct comparisons between each company's stock since Pepsi has more shares outstanding than Coke. However, the Price to Earnings Ratio for each company is nearly identical. On the other hand, Pepsi has a slightly higher Market to Book Value Per Share ratio.

When it comes to Dividend Payout Ratios, Pepsi slightly exceeds Coke, but not by much. However, Coke has a higher Retention Rate than Pepsi, which means they are looking to invest more earnings back into their business than Pepsi. This can be seen in the Statement of Cash Flows as Pepsi is spending more cash on capital assets than Coke.

Overall, this exercise serves to show both the similarities and differences between Pepsi and Coke. However, the analysis does not provide any definite conclusions as to which company is better/stronger or which company is the better investment.

Table 33. PEP Pepsico, Inc. - Income Statements

Fiscal year is All values	2025	2024	2023	2022	2021
Sales/Revenue	93,924	91,853	91,468	86,403	79,480
Sales Growth	2.25%	0.42%	5.86%	8.71%	-
Cost of Goods Sold (COGS) incl. D&A	42,822	41,491	41,640	40,805	36,932
COGS excluding D&A	38,644	37,676	38,692	38,042	34,222
Depreciation & Amortization Expense	4,178	3,815	2,948	2,763	2,710
Depreciation	4,095	3,741	2,873	2,685	2,619
Amortization of Intangibles	83	74	75	78	91
COGS Growth	3.21%	-0.36%	2.05%	10.49%	-
Gross Income	51,102	50,362	49,828	45,598	42,548
Gross Income Growth	1.47%	1.07%	9.28%	7.17%	-
Gross Profit Margin	54.41%	-	-	-	-
SG&A Expense	36,287	36,067	35,741	33,968	31,089
Research & Development	839	813	804	771	752
Other SG&A	35,448	35,254	34,937	33,197	30,337
SGA Growth	0.61%	0.91%	5.22%	9.26%	-
EBIT	14,815	14,295	14,087	11,630	11,459
Unusual Expense	3,406	1,293	1,846	3,577	303
Non Operating Income/Expense	18	-137	26	3,432	408
Interest Expense	1,183	919	850	780	1,743
Interest Expense Growth	28.73%	8.12%	8.97%	-55.25%	-
Gross Interest Expense	1,183	919	850	780	1,743
Pretax Income	10,244	11,946	11,417	10,705	9,821
Pretax Income Growth	-14.25%	4.63%	6.65%	9.00%	-
Pretax Margin	10.91%	-	-	-	-
Income Tax	1,949	2,320	2,262	1,727	2,142
Income Tax - Current Domestic	341	1,288	1,442	1,383	746
Income Tax - Current Foreign	1,583	1,406	1,201	1,027	955
Income Tax - Deferred Domestic	141	-364	-169	26	455
Income Tax - Deferred Foreign	-116	-10	-212	-709	-14
Consolidated Net Income	8,295	9,626	9,155	8,978	7,679
Minority Interest Expense	55	48	81	68	61
Net Income	8,240	9,578	9,074	8,910	7,618
Net Income Growth	-13.97%	5.55%	1.84%	16.96%	-
Net Margin	8.77%	-	-	-	-
Net Income After Extraordinaries	8,240	9,578	9,074	8,910	7,618
Net Income Available to Common	8,240	9,578	9,074	8,910	7,618

Source: https://www.wsj.com/market-data/quotes/PEP/financials/annual/income-statement

Table 34. KO Coca Cola, Inc. - Income Statements

Fiscal year is All values	2025	2024	2023	2022	2021
Sales/Revenue	48,392	46,766	45,831	42,841	38,726
Sales Growth	3.48%	2.04%	6.98%	10.63%	-
Cost of Goods Sold (COGS) incl. D&A	18,506	18,166	18,449	18,032	15,508
COGS excluding D&A	17,456	17,091	17,321	16,772	14,056
Depreciation & Amortization Expense	1,050	1,075	1,128	1,260	1,452
Depreciation	978	1,014	1,034	1,138	1,277
Amortization of Intangibles	72	61	94	120	165
Amortization of Deferred Charges	-	-	-	2	10
COGS Growth	1.87%	-1.53%	2.31%	16.28%	-
Gross Income	29,886	28,600	27,382	24,809	23,218
Gross Income Growth	4.50%	4.45%	10.37%	6.85%	-
Gross Profit Margin	61.76%	-	-	-	-
SG&A Expense	14,544	14,599	13,977	12,859	12,178
Other SG&A	14,544	14,599	13,977	12,859	12,178
SGA Growth	-0.38%	4.45%	8.69%	5.59%	-
Other Operating Expense	159	168	214	-3	234
EBIT	15,183	13,833	13,191	11,953	10,806
Unusual Expense	970	4,046	1,940	1,248	1,511
Non Operating Income/Expense	619	2,194	644	-79	2,076
Non-Operating Interest Income	786	988	907	449	276
Equity in Affiliates (Pretax)	2,031	1,770	1,691	1,472	1,438
Interest Expense	1,651	1,653	1,541	861	747
Interest Expense Growth	-0.12%	7.27%	78.98%	15.26%	-
Gross Interest Expense	1,651	1,653	1,541	861	747
Pretax Income	15,998	13,086	12,952	11,686	12,425
Pretax Income Growth	22.25%	1.03%	10.83%	-5.95%	-
Pretax Margin	33.06%	-	-	-	-
Income Tax	2,861	2,437	2,249	2,115	2,621
Income Tax - Current Domestic	264	467	212	586	349
Income Tax - Current Foreign	2,080	1,981	2,039	1,651	1,378
Income Tax - Deferred Domestic	343	-388	-213	-125	219
Income Tax - Deferred Foreign	174	377	211	3	675
Consolidated Net Income	13,137	10,649	10,703	9,571	9,804
Minority Interest Expense	30	18	-11	29	33
Net Income	13,107	10,631	10,714	9,542	9,771
Net Income Growth	23.29%	-0.77%	12.28%	-2.34%	-
Net Margin	27.09%	-	-	-	-
Net Income After Extraordinaries	13,107	10,631	10,714	9,542	9,771
Net Income Available to Common	13,107	10,631	10,714	9,542	9,771

Source: https://www.wsj.com/market-data/quotes/KO/financials/annual/income-statement

Table 35. PEP Pepsico, Inc. - Balance Sheets

Assets Fiscal year is All values	2025	2024	2023	2022	2021
Cash & Short Term Investments	9,530	9,266	10,003	5,348	5,988
Cash Only	9,159	8,505	9,711	4,954	5,596
Cash & Short Term Investments Growth	2.85%	-7.37%	87.04%	-10.69%	-
Cash & ST Investments / Total Assets	8.87%	9.32%	9.95%	5.80%	6.48%
Total Accounts Receivable	11,506	10,333	10,815	10,163	8,680
Accounts Receivables, Net	9,035	8,131	8,500	8,042	7,025
Accounts Receivables, Gross	9,265	8,487	8,675	8,192	7,172
Bad Debt/Doubtful Accounts	-230	-356	-175	-150	-147
Other Receivables	2,471	2,202	2,315	2,121	1,655
Accounts Receivable Growth	11.35%	-4.46%	6.42%	17.09%	-
Accounts Receivable Turnover	8.16	8.89	8.46	8.5	9.16
Inventories	5,845	5,306	5,334	5,222	4,347
Finished Goods	3,121	2,762	2,842	2,742	2,298
Work in Progress	143	104	104	114	151
Raw Materials	2,581	2,440	2,388	2,366	1,898
Other Current Assets	1,020	863	731	766	2,715
Miscellaneous Current Assets	1,020	863	731	766	2,715
Total Current Assets	27,901	25,768	26,883	21,499	21,730
Net Property, Plant & Equipment	33,650	31,391	29,944	26,664	24,427
Property, Plant & Equipment – Gross	64,654	59,388	57,344	52,157	48,848
Buildings	13,875	11,938	11,579	10,816	10,279
Land & Improvements	1,110	1,136	1,159	1,142	1,123
Machinery & Equipment	41,113	36,990	36,006	33,335	31,486
Construction in Progress	4,811	5,941	5,695	4,491	3,940
Accumulated Depreciation	31,004	27,997	27,400	25,493	24,421
Total Investments and Advances	4,609	3,331	4,330	3,886	2,627
LT Investment - Affiliate Companies	2,038	1,985	2,714	3,073	2,627
Other Long-Term Investments	2,571	1,346	1,616	813	-
Long-Term Note Receivable	136	111	200	202	111
Intangible Assets	33,982	32,335	32,657	33,788	37,046
Net Goodwill	18,916	17,534	17,728	18,202	18,381
Net Other Intangibles	15,066	14,801	14,929	15,586	18,665
Other Assets	2,580	2,169	2,007	1,944	2,126
Deferred Charges	1,702	1,348	1,227	1,111	1,432
Tangible Other Assets	878	821	780	833	694
Total Assets	107,399	99,467	100,495	92,187	92,377
Assets - Total – Growth	7.97%	-1.02%	9.01%	-0.21%	-
Asset Turnover	0.91	-	-	-	-
Return On Average Assets	7.97%	-	-	-	-

Source: https://www.wsj.com/market-data/quotes/PEP/financials/annual/balance-sheet

Table 35 continued. PEP Pepsico, Inc. - Balance Sheets

Liabilities & Shareholders' Equity Fiscal year is All values USD Millions.	2025	2024	2023	2022	2021
ST Debt & Current Portion LT Debt	7,580	7,724	7,066	3,897	4,754
Short Term Debt	3,550	3,720	3,142	801	882
Current Portion of Long Term Debt	4,030	4,004	3,924	3,096	3,872
Accounts Payable	11,704	10,997	11,635	10,732	9,834
Accounts Payable Growth	6.43%	-5.48%	8.41%	9.13%	-
Other Current Liabilities	13,480	12,815	12,946	12,156	11,632
Dividends Payable	1,967	1,885	1,767	1,610	1,508
Accrued Payroll	2,230	2,256	2,687	2,519	2,324
Miscellaneous Current Liabilities	9,283	8,674	8,492	8,027	7,800
Total Current Liabilities	32,764	31,536	31,647	26,785	26,220
Current Ratio	0.85	0.82	0.85	0.8	0.83
Quick Ratio	0.67	0.65	0.68	0.61	0.66
Cash Ratio	0.29	0.29	0.32	0.2	0.23
Long-Term Debt	45,448	40,027	39,995	37,590	37,624
Long-Term Debt excl. Capitalized Leases	45,448	40,027	39,995	37,590	37,624
Non-Convertible Debt	42,321	37,224	37,595	35,657	36,026
Provision for Risks & Charges	3,642	3,890	3,448	3,037	3,568
Deferred Taxes	-739	-878	-579	-71	516
Deferred Taxes – Credit	3,802	3,484	3,895	4,133	4,826
Deferred Taxes – Debit	4,541	4,362	4,474	4,204	4,310
Other Liabilities	1,196	2,359	2,873	3,369	3,988
Other Liabilities (excl. Deferred Income)	1,196	2,359	2,873	3,369	3,988
Total Liabilities	86,852	81,296	81,858	74,914	76,226
Total Liabilities / Total Assets	80.87%	81.73%	81.45%	81.26%	82.52%
Common Equity (Total)	20,406	18,041	18,503	17,149	16,043
Common Stock Par/Carry Value	23	23	23	23	23
Additional Paid-In Capital/Capital Surplus	4,451	4,385	4,261	4,134	4,001
Retained Earnings	72,788	72,266	70,035	67,800	65,165
Cumulative Translation Adjustment/Unrealized For. Exch. Gain	-13,494	-15,217	-13,255	-12,948	-12,309
Other Appropriated Reserves	-1,530	-2,395	-2,279	-2,354	-2,589
Treasury Stock	-41,832	-41,021	-40,282	-39,506	-38,248
Common Equity / Total Assets	19.00%	18.14%	18.41%	18.60%	17.37%
Total Shareholders' Equity	20,406	18,041	18,503	17,149	16,043
Total Shareholders' Equity / Total Assets	19.00%	18.14%	18.41%	18.60%	17.37%
Accumulated Minority Interest	141	130	134	124	108
Total Equity	20,547	18,171	18,637	17,273	16,151
Liabilities & Shareholders' Equity	107,399	99,467	100,495	92,187	92,377

Source: https://www.wsj.com/market-data/quotes/PEP/financials/annual/balance-sheet

Table 36. KO Coca Cola, Inc. - Balance Sheets

Assets					
Fiscal year is All values	2025	2024	2023	2022	2021
Cash & Short Term Investments	15,806	14,571	13,663	11,631	12,625
Cash Only	10,270	10,828	9,366	9,519	9,684
Cash & Short Term Investments Growth	8.48%	6.65%	17.47%	-7.87%	-
Cash & ST Investments / Total Assets	15.08%	14.49%	13.98%	12.54%	13.38%
Total Accounts Receivable	3,038	3,569	3,410	3,487	3,512
Accounts Receivables, Net	3,038	3,569	3,410	3,487	3,512
Accounts Receivables, Gross	3,533	4,075	3,912	4,003	4,028
Bad Debt/Doubtful Accounts	-495	-506	-502	-516	-516
Accounts Receivable Growth	-14.88%	4.66%	-2.21%	-0.71%	-
Accounts Receivable Turnover	15.93	13.1	13.44	12.29	11.03
Inventories	4,425	4,728	4,424	4,233	3,414
Finished Goods	1,375	1,524	1,449	1,247	982
Raw Materials	2,708	2,794	2,618	2,627	2,133
Progress Payments & Other	342	410	357	359	299
Other Current Assets	7,775	3,129	5,235	3,240	2,994
Miscellaneous Current Assets	7,775	3,129	5,235	3,240	2,994
Total Current Assets	31,044	25,997	26,732	22,591	22,545
Net Property, Plant & Equipment	11,310	11,485	10,564	11,247	11,338
Property, Plant & Equipment – Gross	20,429	21,055	19,797	20,481	20,280
Buildings	4,967	5,143	4,647	4,434	4,349
Land & Improvements	265	226	229	611	652
Machinery & Equipment	13,500	14,504	13,593	14,030	13,861
Accumulated Depreciation	9,119	9,570	9,233	9,234	8,942
Total Investments and Advances	21,589	19,275	20,181	21,787	22,034
LT Investment - Affiliate Companies	20,235	18,087	19,671	18,264	17,598
Other Long-Term Investments	1,354	1,188	510	3,523	4,436
Intangible Assets	28,022	31,440	33,223	33,631	34,613
Net Goodwill	15,491	18,139	18,358	18,782	19,363
Net Other Intangibles	12,531	13,301	14,865	14,849	15,250
Other Assets	11,645	11,033	5,442	1,761	1,695
Deferred Charges	1,046	1,219	1,543	1,558	1,545
Tangible Other Assets	10,599	9,814	3,899	203	150
Total Assets	104,816	100,549	97,703	92,763	94,354
Assets - Total – Growth	4.24%	2.91%	5.33%	-1.69%	-
Asset Turnover	0.47	-	-	-	-
Return On Average Assets	12.76%	-	-	-	-

Source: https://www.wsj.com/market-data/quotes/KO/financials/annual/balance-sheet

Table 36 continued. KO Coca Cola, Inc. - Balance Sheets

Liabilities & Shareholders' Equity					
Fiscal year is All values	2025	2024	2023	2022	2021
ST Debt & Current Portion LT Debt	3,694	2,437	6,878	3,113	4,955
Short Term Debt	1,872	1,789	4,918	2,714	3,617
Current Portion of Long Term Debt	1,822	648	1,960	399	1,338
Accounts Payable	5,649	5,468	5,590	5,307	4,602
Accounts Payable Growth	3.31%	-2.18%	5.33%	15.32%	-
Income Tax Payable	525	1,387	1,569	1,203	686
Other Current Liabilities	11,413	15,957	9,534	10,101	9,707
Accrued Payroll	1,584	1,465	1,465	1,087	1,051
Miscellaneous Current Liabilities	9,829	14,492	8,069	9,014	8,656
Total Current Liabilities	21,281	25,249	23,571	19,724	19,950
Current Ratio	1.46	1.03	1.13	1.15	1.13
Quick Ratio	1.25	0.84	0.95	0.93	0.96
Cash Ratio	0.74	0.58	0.58	0.59	0.63
Long-Term Debt	43,520	43,298	36,548	37,490	39,277
Long-Term Debt excl. Capitalized Leases	43,520	43,298	36,548	37,490	39,277
Non-Convertible Debt	42,119	42,375	35,547	36,377	38,116
Provision for Risks & Charges	785	871	-	855	1,409
Deferred Taxes	1,200	1,150	1,078	1,168	692
Deferred Taxes – Credit	2,406	2,469	2,639	2,914	2,821
Deferred Taxes – Debit	1,206	1,319	1,561	1,746	2,129
Other Liabilities	2,549	2,290	7,465	5,954	6,037
Other Liabilities (excl. Deferred Income)	2,549	2,290	7,465	5,954	6,037
Total Liabilities	70,541	74,177	70,223	66,937	69,494
Total Liabilities / Total Assets	67.30%	73.77%	71.87%	72.16%	73.65%
Common Equity (Total)	32,169	24,856	25,941	24,105	22,999
Common Stock Par/Carry Value	1,760	1,760	1,760	1,760	1,760
Additional Paid-In Capital/Capital Surplus	20,581	19,801	19,209	18,822	18,116
Retained Earnings	80,382	76,054	73,782	71,019	69,094
Cumulative Translation Adjustment/Unrealized For. Exch. Gain	-12,673	-15,610	-12,726	-13,609	-12,595
Unrealized Gain/Loss Marketable Securities	-26	-64	-1	-25	-62
Other Appropriated Reserves	-1,432	-1,169	-1,548	-1,261	-1,673
Treasury Stock	-56,423	-55,916	-54,535	-52,601	-51,641
Common Equity / Total Assets	30.69%	24.72%	26.55%	25.99%	24.38%
Total Shareholders' Equity	32,169	24,856	25,941	24,105	22,999
Total Shareholders' Equity / Total Assets	30.69%	24.72%	26.55%	25.99%	24.38%
Accumulated Minority Interest	2,106	1,516	1,539	1,721	1,861
Total Equity	34,275	26,372	27,480	25,826	24,860
Liabilities & Shareholders' Equity	104,816	100,549	97,703	92,763	94,354

Source: https://www.wsj.com/market-data/quotes/KO/financials/annual/balance-sheet

Table 37. PEP Pepsico, Inc. - Statement of Cash Flows

Operating Activities					
Fiscal year is All values	2025	2024	2023	2022	2021
Net Income before Extraordinaries	8,295	9,626	9,155	8,978	7,679
Net Income Growth	-13.83%	5.14%	1.97%	16.92%	-
Depreciation, Depletion & Amortization	4,178	3,815	2,948	2,763	2,710
Depreciation and Depletion	4,095	3,741	2,873	2,685	2,619
Amortization of Intangible Assets	83	74	75	78	91
Deferred Taxes & Investment Tax Credit	71	-42	-271	-873	298
Deferred Taxes	71	-42	-271	-873	298
Other Funds	1,900	1,111	1,758	1,190	-164
Funds from Operations	14,444	14,510	13,590	12,058	10,523
Changes in Working Capital	-2,357	-2,003	-148	-1,247	1,093
Receivables	-580	-138	-793	-1,763	-651
Inventories	-150	-314	-261	-1,142	-582
Accounts Payable	-677	-1,161	420	1,842	1,762
Income Taxes Payable	-433	-123	310	57	30
Other Assets/Liabilities	-517	-267	176	-241	534
Net Operating Cash Flow	12,087	12,507	13,442	10,811	11,616
Net Operating Cash Flow Growth	-3.36%	-6.96%	24.34%	-6.93%	-
Net Operating Cash Flow / Sales	12.87%	13.62%	14.70%	12.51%	14.61%
Investing Activities					
Capital Expenditures	-4,415	-5,318	-5,518	-5,207	-4,625
Capital Expenditures (Fixed Assets)	-4,415	-5,318	-5,518	-5,207	-4,625
Capital Expenditures Growth	16.98%	3.62%	-5.97%	-12.58%	-
Capital Expenditures / Sales	-4.70%	-5.79%	-6.03%	-6.03%	-5.82%
Net Assets from Acquisitions	-3,391	-256	-314	-873	-61
Sale of Fixed Assets & Businesses	567	508	273	3,756	335
Purchase/Sale of Investments	460	-420	16	-117	1,077
Purchase of Investments	-190	-425	-555	-291	-
Sale/Maturity of Investments	650	5	571	174	1,077
Other Uses	-100	-	-	-	-
Other Sources	-	14	48	11	5
Net Investing Cash Flow	-6,879	-5,472	-5,495	-2,430	-3,269
Net Investing Cash Flow Growth	-25.71%	0.42%	-126.13%	25.67%	-
Net Investing Cash Flow / Sales	-7.32%	-5.96%	-6.01%	-2.81%	-4.11%
Cash Dividends Paid – Total	-7,638	-7,229	-6,682	-6,172	-5,815
Common Dividends	-7,638	-7,229	-6,682	-6,172	-5,815
Change in Capital Stock	-903	-834	-884	-1,362	79
Repurchase of Common & Preferred Stk.	-1,000	-1,000	-1,000	-1,500	-106

Source: https://www.wsj.com/market-data/quotes/PEP/financials/annual/cash-flow

Table 37 continued. PEP Pepsico, Inc. - Statement of Cash Flows

Financing Activities					
Sale of Common & Preferred Stock	97	166	116	138	185
Other Proceeds from Sale of Stock	97	166	116	138	185
Issuance/Reduction of Debt, Net	3,748	695	4,770	-810	-4,132
Change in Current Debt	-359	539	2,293	-13	45
Change in Long-Term Debt	4,107	156	2,477	-797	-4,177
Issuance of Long-Term Debt	8,189	4,042	5,482	3,377	4,122
Reduction in Long-Term Debt	-4,082	-3,886	-3,005	-4,174	-8,299
Other Funds	-186	-188	-213	-179	-912
Other Uses	-186	-188	-213	-179	-912
Net Financing Cash Flow	-4,979	-7,556	-3,009	-8,523	-10,780
Net Financing Cash Flow Growth	34.11%	-151.11%	64.70%	20.94%	-
Net Financing Cash Flow / Sales	-5.30%	-8.23%	-3.29%	-9.86%	-13.56%
Exchange Rate Effect	422	-687	-277	-465	-114
Net Change in Cash	651	-1,208	4,661	-607	-2,547
Free Cash Flow	7,672	7,189	7,924	5,604	6,991
Free Cash Flow Growth	6.72%	-9.28%	41.40%	-19.84%	-
Free Cash Flow Yield	0.02%	-	-	-	-

Source: https://www.wsj.com/market-data/quotes/PEP/financials/annual/cash-flow

Table 38. KO Coca Cola, Inc. - Statement of Cash Flows

Operating Activities Fiscal year is All values	2025	2024	2023	2022	2021
Net Income before Extraordinaries	13,137	10,649	10,703	9,571	9,804
Net Income Growth	23.36%	-0.50%	11.83%	-2.38%	-
Depreciation, Depletion & Amortization	1,050	1,075	1,128	1,260	1,452
Depreciation and Depletion	978	1,014	1,020	-	-
Amortization of Intangible Assets	72	61	108	-	-
Deferred Taxes & Investment Tax Credit	517	-11	-2	-122	894
Deferred Taxes	517	-11	-2	-122	894
Other Funds	-88	1,326	616	914	-850
Funds from Operations	14,616	13,039	12,445	11,623	11,300
Changes in Working Capital	-7,208	-6,234	-846	-605	1,325
Receivables	334	-295	-2	-69	-225
Inventories	-154	-520	-597	-960	-135
Accounts Payable	-6,612	1,134	841	759	2,843
Income Taxes Payable	-558	-823	-578	-360	-566
Other Assets/Liabilities	-218	-5,730	-510	25	-592
Net Operating Cash Flow	7,408	6,805	11,599	11,018	12,625
Net Operating Cash Flow Growth	8.86%	-41.33%	5.27%	-12.73%	-
Net Operating Cash Flow / Sales	15.31%	14.55%	25.31%	25.72%	32.60%

Source: https://www.wsj.com/market-data/quotes/KO/financials/annual/cash-flow

Table 38 continued. KO Coca Cola, Inc. - Statement of Cash Flows

Financing Activities					
Investing Activities					
Capital Expenditures	-2,112	-2,064	-1,852	-1,484	-1,367
Capital Expenditures (Fixed Assets)	-2,112	-2,064	-1,852	-1,484	-1,367
Capital Expenditures Growth	-2.33%	-11.45%	-24.80%	-8.56%	-
Capital Expenditures / Sales	-4.36%	-4.41%	-4.04%	-3.46%	-3.53%
Net Assets from Acquisitions	-461	-315	-62	-73	-4,766
Sale of Fixed Assets & Businesses	4,918	3,525	504	533	2,288
Purchase/Sale of Investments	-1,495	949	-2,344	1,020	1,029
Purchase of Investments	-6,160	-5,640	-6,698	-3,751	-6,030
Sale/Maturity of Investments	4,665	6,589	4,354	4,771	7,059
Other Uses	-	-	-	-1,465	-
Other Sources	421	429	405	706	51
Net Investing Cash Flow	1,271	2,524	-3,349	-763	-2,765
Net Investing Cash Flow Growth	-49.64%	175.37%	-338.93%	72.41%	-
Net Investing Cash Flow / Sales	2.63%	5.40%	-7.31%	-1.78%	-7.14%
Cash Dividends Paid – Total	-8,779	-8,359	-7,952	-7,616	-7,252
Common Dividends	-8,779	-8,359	-7,952	-7,616	-7,252
Change in Capital Stock	-433	-1,048	-1,750	-581	591
Repurchase of Common & Preferred Stk.	-746	-1,795	-2,289	-1,418	-111
Sale of Common & Preferred Stock	313	747	539	837	702
Proceeds from Stock Options	313	747	539	837	702
Issuance/Reduction of Debt, Net	13	2,528	1,857	-958	228
Other Funds	-279	-31	-465	-1,095	-353
Other Uses	-279	-31	-465	-1,095	-353
Net Financing Cash Flow	-9,478	-6,910	-8,310	-10,250	-6,786
Net Financing Cash Flow Growth	-37.16%	16.85%	18.93%	-51.05%	-
Net Financing Cash Flow / Sales	-19.59%	-14.78%	-18.13%	-23.93%	-17.52%
Exchange Rate Effect	321	-623	-73	-205	-159
Net Change in Cash	-478	1,796	-133	-200	2,915
Free Cash Flow	5,296	4,741	9,747	9,534	11,258
Free Cash Flow Growth	11.71%	-51.36%	2.23%	-15.31%	-
Free Cash Flow Yield	-1.16%	-	-	-	-

Source: https://www.wsj.com/market-data/quotes/KO/financials/annual/cash-flow

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