



# Analysis on the Sales Growth from the Perspectives of Financial Data and ESG Performance: Case Study on Coca-Cola Consolidated, INC.

Tianyu Wang

Zibo Shiyan High School, Zibo, Shandong, China  
b10731014@office365.npust.edu.tw

**Abstract.** With the change of people's health awareness, consumers' consumption preferences in beverages have been reshaped, so canned carbonated drinks, which are often considered unhealthy, are facing huge challenges. However, in this situation, Coca-Cola Consolidated, INC. still experienced sales growth in 2024. This is inseparable from the successful strategy of the company. This article is based on the 2024 annual report released by Coca-Cola, analyzing Coca-Cola's financial data and its performance in ESG, attempting to find the secret to its success in fierce market competition. Moreover, combined with other research and industry reports, potential internal and external favorable factors were analyzed. Research has found that Coca-Cola is able to quickly adjust its products in response to market changes and actively participate in ESG activities. At the same time, it adopted reasonable financial strategies to maintain various financial index at an appropriate level, ensuring sufficient cash flow to expand its operations and continuously attracting investment. These strategies can serve as a reference for other enterprises.

**Keywords:** Coca-Cola Company, Case Study, Financial Analysis, ESG.

## 1 Introduction

With the increasing awareness of public health, many previously popular foods and beverages are gradually being abandoned by the public. According to Innova's article on 2024 Beverages Trends, health is a major concern for consumers when consuming beverages [1]. One of the most representative ones is carbonated beverages, including Coca-Cola. The well-known hazards of carbonated beverages include: containing phosphoric acid, affecting the absorption of calcium by the human body, and causing osteoporosis; It contains a lot of sugar, which is easy to cause obesity and diabetes; Carbonated beverages are usually weakly acidic and can easily corrode dental enamel. Under such promotional guidance, the public's enthusiasm for carbonated beverages has weakened. At the same time, there are also some natural and healthy beverages appearing in the Chinese market, such as NFC juice, which emphasizes zero additives and is healthy without side effects. In addition, according to the Chinese people's taste for tea, there are also many tea drinks in the Chinese market, which generally do not add other

chemical ingredients. What is more, there are still many milk tea shops and juice shops in the Chinese beverage market. Compared to the pre-made canned drinks in supermarkets, the drinks in milk tea shops and juice shops are made using raw materials. Customers can also see the staff's production process when purchasing on site. In addition, most drinks can be customized according to personal preferences, such as adjusting the sugar content, choosing whether to add certain ingredients, such as tea or coffee, and choosing what kind of milk, milk or oat milk to add. These milk tea shops and juice shops have also to some extent compressed the living space of canned drinks sold in supermarkets.

However, according to reports from Zhu and Kong, Coca-Cola Consolidated, INC. (in the following paper, it will be replaced by Coca-Cola), known for its carbonated beverages, has seen an increase in sales in 2024, particularly in the Chinese market where its performance has been outstanding. In Zhu's report, the speech of James Quincey, the Chairman and CEO of Coca-Cola, during an earnings conference call was quoted, indicating that Coca-Cola's sales have increased in China [2]. According to Kong's report, in the fourth quarter of 2024, single box sales in the Asia Pacific region, where China is located, increased by 6%, contributing 1% of the global single box sales growth for the whole year [3]. Why can Coca-Cola Company achieve growth in such an unfavorable environment? It is a topic worth exploring.

Previous articles have explored the reasons behind it. However, most articles focus on analyzing the marketing actions taken by Coca-Cola. For example, Tan's article analyzed the scenario marketing methods used by Coca-Cola's beverage queer [4]. Starting from the perspective of dynamic poster design, Yu's article analyzes its marketing assistance to Coca-Cola [5]. However, in the latest article, there is little analysis based on Coca-Cola's financial data. This article will start from the perspective of financial data and analyze in depth the various indicators in Coca-Cola's 2024 annual report to identify which financial factors have contributed to its development. Financial data will focus on five aspects: current ratio, asset liability ratio and gross profit margin. At the same time, this article will also combine the perspectives from ESG and other research to analyze the underlying reasons why Coca-Cola's sales have increased instead of decreased. This article aims to provide more data-driven perspectives and thoughts on this issue.

## **2 Financial Data Analysis**

### **2.1 Current Ratio**

The current ratio is an indicator of a company's short-term debt paying ability. The calculation formula is:  $\text{current ratio} = \text{current assets} / \text{current liabilities}$ . Short term solvency can affect the stability of a company's funding chain, financial costs, credit rating, and development decisions. Additionally, short term solvency can reflect whether a company has sufficient funds for daily operations, expanding business, responding to

sudden risk situations, and whether there is a possibility of overdue repayments, increasing interest, improving operating costs, and reducing profits. Therefore, the current ratio can reveal a company's operational capability.

According to the 2024 annual report released by Coca-Cola, the current assets of Coca-Cola are about 2.55 billion dollar and the current liabilities are 1.31 billion dollars [6]. Based on the calculation formula, the current ratio of Coca-Cola is approximately 1.95, indicating that the company's current assets are 1.95 times its current liabilities and have strong short-term solvency. The current ratio of 2 is sometimes considered as advantageous for a company [7]. By this standard, Coca-Cola's current ratio is relatively healthy.

## 2.2 Asset Liability Ratio

The asset liability ratio reflects a company's long-term debt-paying ability and financial risk. Its calculation formula is:  $\text{asset liability ratio} = \text{total liabilities} / \text{total assets}$ . A reasonable asset liability ratio can bring a large amount of funds to the company for expanding operations and production, achieving economies of scale and scope. At the same time, when the return on investment is greater than the cost of debt, shareholders can obtain more profits, thereby attracting more people to invest. At this point, the company's financial situation can enter a virtuous cycle.

According to Coca-Cola's 2024 annual financial report, the total liabilities of this company are approximately 3.896 billion US dollars, while the total assets are approximately 5.313 billion US dollars [6]. According to the formula, the asset liability ratio is approximately 73.33%, indicating that a large proportion of the company's assets are funded by liabilities. However, the asset liability ratio varies depending on the company's size, development stage, and the characteristics of the industry it is in. It is difficult to determine whether this ratio is beneficial to Coca-Cola based solely on the debt-to-asset ratio itself. However, by comparing it with the average level of the Chinese food and beverage industry over the past five years (as shown in Table 1), it can be found that as a beverage company, Coca-Cola has a relatively high asset liability ratio. Therefore, financial risks of Coca-Cola are still worth noting.

**Table 1.** The Industry Debt Ratio of China's Food and Beverage Industry from 2020 to 2024.

| Year                    | 2020   | 2021   | 2022   | 2023   | 2024  |
|-------------------------|--------|--------|--------|--------|-------|
| The Industry Debt Ratio | 33.82% | 34.72% | 34.65% | 33.87% | 34.9% |

Data Source from Zhiliaocaibao [8]

## 2.3 Gross Margin

Gross profit margin is an important indicator for measuring a company's profitability. The calculation formula is:  $\text{gross profit margin} = (\text{operating revenue} - \text{operating costs}) / \text{operating revenue}$ . A higher gross profit margin can ensure that enterprises have sufficient profits for operation and development, and there is more flexibility in pricing

products or services, which can help enterprises better cope with market competition, especially price wars. The operating revenue of Coca-Cola Company is approximately 6.9 billion US dollars, and the operating costs are approximately 4.2 billion US dollars [6](p42). According to calculations, Coca-Cola's gross profit margin is approximately 39%.

### 3 Analysis from ESG Perspective

The three letters ESG represent Environmental, Social, and Governance respectively. This system is used to measure the comprehensive performance of enterprises in environmental protection, social responsibility fulfillment, and corporate governance structure. Specifically, the introduction of ESG system helps to strengthen the importance and sense of responsibility of enterprises in environmental protection, social responsibility fulfillment, and corporate governance. Meanwhile, with policy support, companies with good ESG ratings will gain advantages in investment and other aspects. Huang et al. found through panel regression analysis of data from Chinese A-share listed companies from 2019 to 2021 that there is a significant positive correlation between corporate ESG performance and commercial credit financing [9]. In addition, an article from McKinsey, through collecting and exploring case studies, summarizing and analyzing research data provided by other institutions, found that ESG performance can bring value to companies in the following ways: firstly, excellent ESG performance can help companies open up markets, explore new markets, or expand existing markets [10]. Secondly, ESG performance can help companies reduce costs [10]. Because when companies pursue high ESG performance, they need to consciously reduce energy consumption, and at the same time, some companies will recycle waste [10]. These measures can help businesses reduce costs. In addition, those companies without ESG awareness often overlook these cost reducing methods. Moreover, strong ESG performance will enable companies to face less regulatory and legal intervention, and receive government support such as subsidies [10]. In addition, employees of companies with high ESG performance have higher job satisfaction, which can stimulate their productivity and creativity, helping companies retain excellent employees [10]. Finally, ESG can enhance investment returns.

Overall, companies that focus on ESG performance and take action in this area are more likely to succeed in the current market.

From the annual report, it can be seen that Coca-Cola has a relatively sufficient involvement in ESG. In terms of environmental responsibility, Coca-Cola promotes the use of renewable materials through the "Refresh, Recycle, Renew" program. All canned and bottled products are designed with renewable materials. During the production process, measures have also been taken to reduce emissions and improve the recycling of water resources through technology [6]. These actions demonstrate that Coca-Cola adheres to a sustainable development strategy and is committed to environmental protection and data efficiency. In terms of social responsibility, Coca-Cola also actively takes on social responsibility. In 2024, the company donated approximately 53 million dollars to various charitable organizations, demonstrating its sense of social responsibility.

In terms of corporate governance, Coca-Cola provides comprehensive health and welfare programs for employees, and has designed career development plans and training to help employees develop. At the same time, Coca-Cola actively returns to shareholders through a stable dividend policy and share repurchase plan, demonstrating its emphasis on shareholder value. Overall, Coca-Cola focuses on ESG performance. This may be the reason for its impressive performance in 2024.

## 4 Other Possible Reasons

The overall changes in the beverage market have brought opportunities for Coca-Cola. According to a market research report released by Innova, the public's preference for alcoholic beverages has decreased, while their preference for low alcohol and non-alcoholic beverages has increased [1]. This transformation is beneficial for Coca-Cola.

Coca-Cola can adapt to market preferences and timely introduce new products. New beverages including sugar free cola and tea drinks have been launched. According to Kong's report, Coca-Cola Zero's sales increased by 13% in the fourth quarter and 9% for the whole year, far exceeding the overall 2% of carbonated beverages in the fourth quarter [5]. Tea beverage sales increased by 5% in the fourth quarter and 4% for the whole year, exceeding the overall level of 3% for the whole year [5]. This reflects the public's recognition of these two new types of beverages, as well as Coca-Cola's effective capture of market preferences.

## 5 Conclusion

In conclusion, Coca-Cola has designed and developed new products in line with the development of the times. At the same time, it maintains sufficient funds for operating activities by maintaining high levels of debt. Meanwhile, actively participating in ESG activities may also help Coca-Cola attract investment and maintain employee motivation. These are reflected in higher profit margins in financial data. In short, Coca-Cola's success is not only due to a favorable external environment, but it is also a comprehensive result of appropriate management and business strategies.

Overall, this article analyzed the reasons for Coca-Cola's outstanding performance in 2024 through its annual report, combining with comprehensive data and development of the beverage industry as well. However, the specific influencing mechanisms and the roles played by each factor still need to be objectively examined through more detailed data in the future.

## References

1. Innova Market Insights: Report Beverage Trends: Global Market Overview. May 3, 2024, <https://www.innovamarketinsights.com/trends/beverage-trends/>, last accessed May 29, 2025

2. Zhu, L.: Coca-Cola's revenue in the Chinese market exceeded expectations. *Economic Daily*, 004 (February 17, 2025).
3. Kong, W.: Carbonated drinks again? Coca-Cola's financial report exceeded expectations. *Beijing Business Daily*, 005 (February 13, 2025).
4. Tan, C.: Coca Cola queer scene deep marketing case. *Sales and Marketing*, 13, pp. 26-29 (2025)
5. Yu, Y.: A Brief Analysis of the Characteristics of Dynamic Brand Poster Design in the New Media Era: A Case Study of Coca-Cola. *Tomorrow's Fashion*, 06, 70-72 (2025)
6. Coca-Cola Consolidated INC. 2024 Annual Report. 1-6 & 42-44 (2025).
7. Saputera, D., Saudi, M. H., & Sinaga, O: Analysis of Financial Performance on Profit in the Food and Beverages Sub Sector Company. *Turkish Journal of Computer and Mathematics Education*, 12(8), 687-696 (2021)
8. Zhiliaocaibao: [https://m.zhiliaocaibao.com/hyfx\\_fzl/801120\\_%E9%A3%9F%E5%93%81%E9%A5%AE%E6%96%99I\\_9/](https://m.zhiliaocaibao.com/hyfx_fzl/801120_%E9%A3%9F%E5%93%81%E9%A5%AE%E6%96%99I_9/), last accessed May 30, 2025
9. Huang, Y., Bai, F., Shang, M. et al. On the fast track: the benefits of ESG performance on the commercial credit financing. *Environ Sci Pollut Res* 30, 83961–83974 (2023).
10. Henisz, Witold, Koller, T., and Nuttall, R.: Five ways that ESG creates value. *McKinsey Quarterly*, 4, 1-12 (2019)

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

