



EXCELLENCE IN EVOLUTION

# Investor Relations

2016





# Cautionary Statement

## FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” These forward-looking statements relate to Coca-Cola FEMSA, S.A.B. de C.V. its Subsidiaries (“KOF”) and their businesses, and are based on KOF management’s good faith expectations regarding KOF and its businesses. Recipients are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside KOF’s control, that could cause actual results of KOF and its businesses to differ materially from such statements. KOF is under no obligation, and expressly disclaims any intention or obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

## CONFIDENTIALITY

The nature of all the information in this presentation is proprietary and confidential.

## ADDITIONAL INFORMATION AND WHERE TO FIND IT

Documents filed by KOF are available at the Securities and Exchange Commission’s public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20594. Investors and security holders may call the Commission at 1-800-SEC-0330 for further information on the public reference room. Free copies of all of KOF’s filings with the Commission may also be obtained by directing a request to:

## COCA-COLA FEMSA

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## INVESTOR RELATIONS

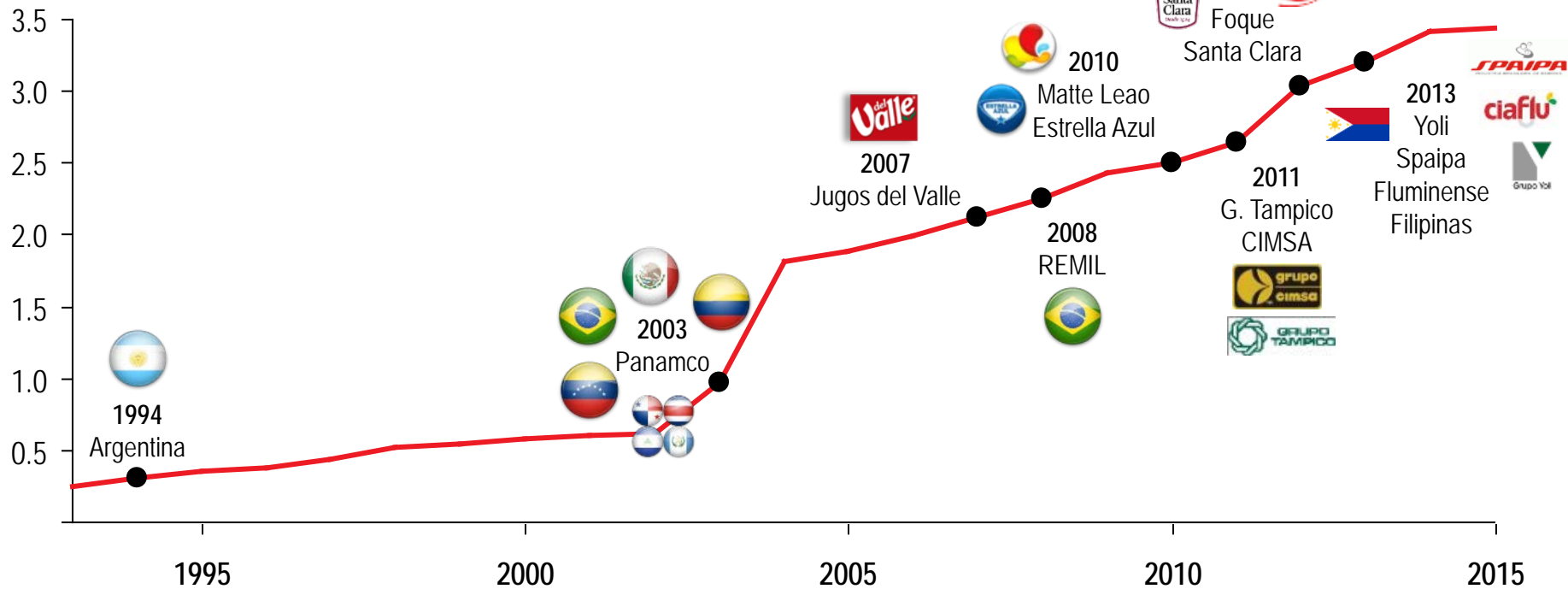
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# In the last two decades as a public bottler, KOF has travelled a successful growth journey...

## Coca-Cola FEMSA Volume

MMUC



Consumers

40.1

181.4

200.7

357.6

Plants

14

30

31

63

Distribution Centers

68

228

204

327

...to become the largest franchise bottler in the world, in terms of volume, operating in two of the most attractive regions for its industry

~ 26 Bn Transactions<sup>(1)</sup>

~ 4 Bn Unit Cases<sup>(1)</sup>

US\$ ~10 Bn in Revenues<sup>(1)</sup>

US\$ ~2 Bn in EBITDA<sup>(1)</sup>

10 years  
CAGR<sup>(1)</sup>

+8%

+12%

+11%



- (1) Figures reflect LTM 2Q 2016 including the Philippines on a proforma basis  
(2) Source Euromonitor, NARTD industry  
(3) We operate the Philippines through a joint venture with The Coca-Cola Company

# Our footprint...

## Mexico and Central America division

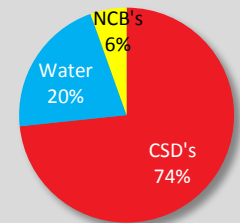


	LTM 2Q16
<b>Volume</b> (MMUC)	2,009
<b>Transactions</b> (Millions)	11,284
<b>Revenues</b> (USD Billions)	~4.4
<b>EBITDA Margin</b>	23.3%

<b>Population served</b> (millions)	93.8
<b>Points of sale</b>	996,773
<b>Plants</b>	22
<b>Distribution centers</b>	174

### product mix by category

% of volume of total beverages



### product mix by package

% of volume of sparkling beverages

<b>Non-Returnable</b>	<b>63%</b>
<b>Returnable</b>	<b>37%</b>

### product mix by size

% of volume of sparkling beverages

<b>Multi Serve</b>	<b>63%</b>
<b>Single Serve</b>	<b>37%</b>

### Product Innovation



(1) Figures reflect FY 2015

# Our footprint...

## South America division



**Volume** (MMUC) 1,428  
**Transactions** (Millions) 9,070  
**Revenues** (USD Billions) ~4.0  
**EBITDA Margin** 17.4%

\*Including Venezuela

LTM 2016

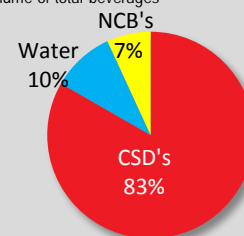
**Population served** (millions) 162  
**Points of sale** 1,006,206  
**Plants** 22  
**Distribution centers** 100

\*Including Venezuela

(1)

### product mix by category

% of volume of total beverages



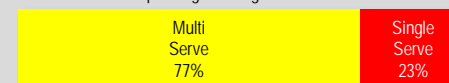
### product mix by package

% of volume of sparkling beverages

**Non-Returnable** 82%  
**Returnable** 18%

### product mix by size

% of volume of sparkling beverages



### Product Innovation



(1) Figures reflect FY 2015



# Our footprint...

## Asia division <sup>(1)</sup>



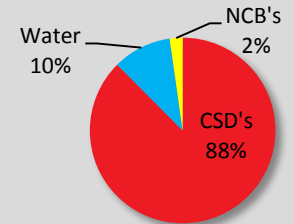
**Volume** (MMUC) 556  
**Transactions** (Millions) 5,892  
**Revenues** (USD Billions) ~1.1  
**EBITDA Margin** ~11%

LTM 2Q16

**Population served** (millions) 101.8 <sup>(2)</sup>  
**Points of sale** 806,369  
**Plants** 19  
**Distribution centers** 53

### product mix by category

% of volume of total beverages



### product mix by package

% of volume of sparkling beverages. Excluding Fountain

**Non-Returnable** 40%  
**Returnable** 60%

### product mix by size

% of volume of sparkling beverages. Excluding Fountain

Multi  
Serve  
55%

Single  
Serve  
45%

### Product Innovation



(1) We operate the Philippines through a joint venture with The Coca-Cola Company  
 (2) Figures reflect FY 2015

# We generated a solid set of results across our markets during the second quarter of 2016

## Among our highlights for the quarter...

- ✓ **Transactions continued to outperform volumes** in key markets
- ✓ Solid performance in local currencies across operations, with comparable **top- and bottom-line growing high single digits and double digits**, respectively
- ✓ We continued to **strengthen our market position**, maintaining or gaining market share in sparkling beverages in key territories
- ✓ **Expanding margins** despite ongoing currency volatility and a very challenging consumer environment in South America.

### Comparable figures <sup>(1)</sup> 2Q 2016

Revenues

+9%

Operating  
Income

+12%

Operative  
cash flow

+13%

(1) Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements and (iii) the results of hyperinflationary economies in both periods. From our operations, only Venezuela qualifies as a hyperinflationary economy.



# Our industry faces short term challenges that are being addressed rapidly and effectively

- Challenging political and macroeconomic environment across the region
- Continuous volatility across Latin American currencies
- Regulatory threats to the CSD's industry
- Changing consumer habits



- Affordable portfolio with focus on returnable presentations
- Increasing the number of transactions through single serve presentations at relevant price points
- Reinforcing our point-of-sale execution
- Organizational re-design to become a nimbler, faster and more competitive company with the right capabilities
- Widening our portfolio offering to satisfy the evolving needs of our consumers through relevant innovation



# Our Strategic Framework guides our quest for long-term profitable growth

## Become a multi-category leader with global footprint

**Categories:** Protect and grow in Sparkling, but diversify with aggressive growth engines in Stills, Dairy and new categories

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**Geographies:** Expand footprint in LatAm & Asia, monitoring other opportunities within TCCC System

### Winning Portfolio Buildup

- ✓ CSD revitalization
- ✓ Stills profitable growth
- ✓ Dairy quantum leap

### Operating Model Transformation

- ✓ Leverage our scale
- ✓ Local market solutions
- ✓ Cutting-edge technology

### Cultural Evolution

- ✓ Attain Collaboration
- ✓ Maintain our passionate execution
- ✓ Increase Multi-culturality

Disciplined Capital Allocation

Business Sustainability

Targeted Innovation

# Becoming a multi-category leader with global footprint

*Our company is evolving and preparing for the next wave of growth*

## Expanding our footprint, monitoring other opportunities within TCCC System

- ✓ KOF and KO have reached an understanding to assess, on a preferred basis, the acquisition of specific territories in Latin America, the United States and other regions

*The Coca-Cola Company*



## Diversifying our portfolio, providing our consumers with a wider range of choices

- ✓ AdeS works as a platform to enter the Neo Natural Nutrition category
- ✓ Latam's leading soy-based beverage



And continuously building a sustainable, competitive advantage through capability development

## Coca-Cola FEMSA Excellence Centers



**Accelerating the transformation of our operating models**



**Initial Roll out of our KOFmmercial Digital Platform in Mexico**

IT & Innovation

We continue investing to lead the system with best-in-class infrastructure...

+US\$ **630** million invested on infrastructure in the last 3 years

*Sumaré Warehouse*  
in Brazil



*Jundiai Vertical Warehouse*  
in Brazil



*Horus plant*  
in Colombia



*Itabirito plant*  
in Brazil



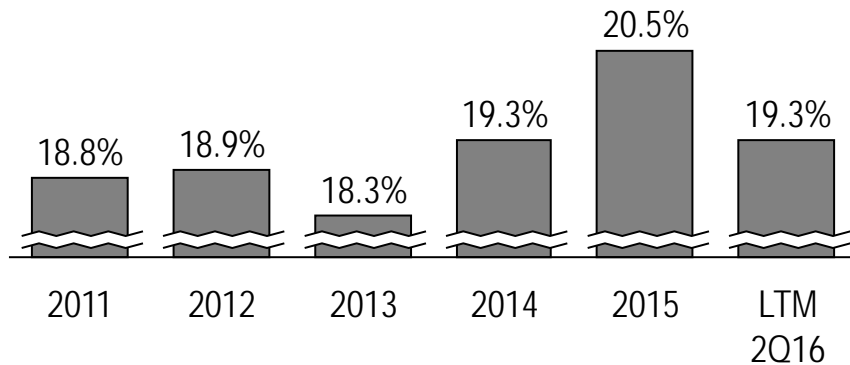
*Canlubang plant*  
in the Philippines





...and continue generating shareholder value through our operating and financial discipline

#### KOF EBITDA margins

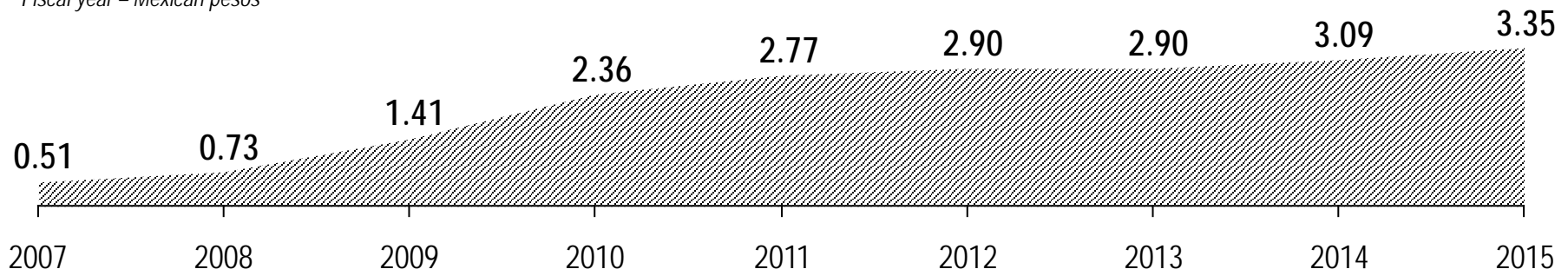


#### Free Cash Flow generation

**~US\$550 MM**  
on a yearly basis

#### Dividend per share

*Fiscal year – Mexican pesos*





# We have a strategic commitment to sustainable development, which is good for our business and good for our planet



- **Only beverage company** selected to comprise the **Dow Jones Sustainability Emerging Markets Index** and one of only nine beverage corporations in the Dow Jones Sustainability Index family
- **5th Consecutive Year** as a member of **Social Responsibility and Sustainability Index** in the BMV



EMPRESA  
SOCIALMENTE  
RESPONSABLE

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

MORE THAN **550 THOUSAND**  
PEOPLE HAVE BEEN BENEFITED  
WITH OUR SOCIAL PROGRAMS

**30% OF THE ELECTRIC  
ENERGY WE USE IN  
MEXICO** IS SUPPLIED BY  
RENEWABLE SOURCES

WE ACTIVATED MORE THAN  
**6.1 MILLION** PEOPLE  
THROUGH RACES AND  
OTHER EVENTS

OUR PORTFOLIO INCLUDES  
**113 BRANDS** IN **10  
CATEGORIES**



Thanks