

# A RENEWED STRATEGY

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Documents filed electronically by KOF with the Securities and Exchange Commission’s (“SEC”) are available to the public on the Internet at the SEC’s website at [www.sec.gov](http://www.sec.gov) and at our website at [www.coca-colafemsa.com](http://www.coca-colafemsa.com). Free copies of all of KOF’s filings with the SEC may also be obtained by directing a request to:

## COCA-COLA FEMSA

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# AGENDA



01

OUR RENEWED STRATEGY

02

INDUSTRY LEADING CAPABILITIES

03

FINANCIAL HIGHLIGHTS

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FINANCIAL HIGHLIGHTS



# COCA-COLA FEMSA AT A GLANCE

THE LARGEST FRANCHISE BOTTLER OF COCA-COLA TRADEMARK BEVERAGES IN THE WORLD IN TERMS OF VOLUME



**+266 million**  
people served

**2 million**  
points of sale

**49**  
bottling plants

**260**  
distribution centers

## FINANCIAL HIGHLIGHTS (LTM 2Q22)

+3.5 billion<sup>(1)</sup>  
volume

+US\$1.9 billion  
Operating Cash Flow<sup>(2)</sup>

+US\$10.4 billion  
revenues

19.2%  
Operating Cash Flow margin <sup>(2)</sup>

## OUR BROAD PORTFOLIO



## OUR FOOTPRINT<sup>(3)</sup>



<sup>(1)</sup> Unit Cases

<sup>(2)</sup> Operating Cash Flow = operating income + depreciation + amortization & other operating non-cash charges

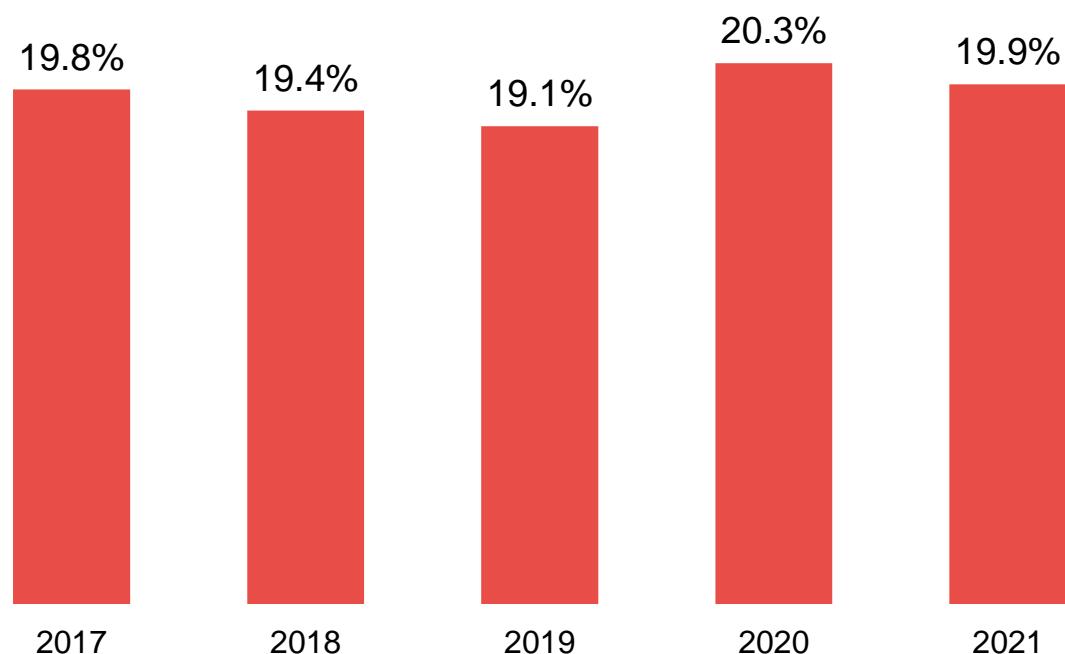
<sup>(3)</sup> As of December 31, 2017, Venezuela is reported as an investment in shares, as a non-consolidated operation.

# RESILIENT BUSINESS MODEL

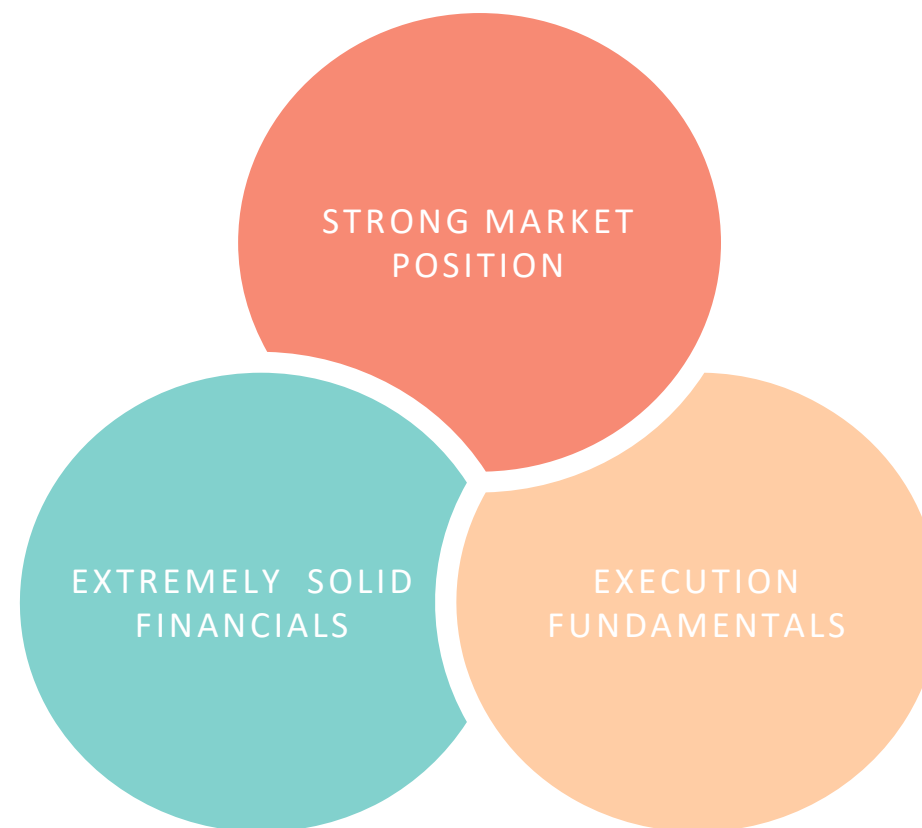


We have **effectively navigated** volatile environments maintaining a **high profitability base**.

SOLID OPERATING CASH FLOW MARGIN<sup>(1)</sup>



KEY STRENGTHS

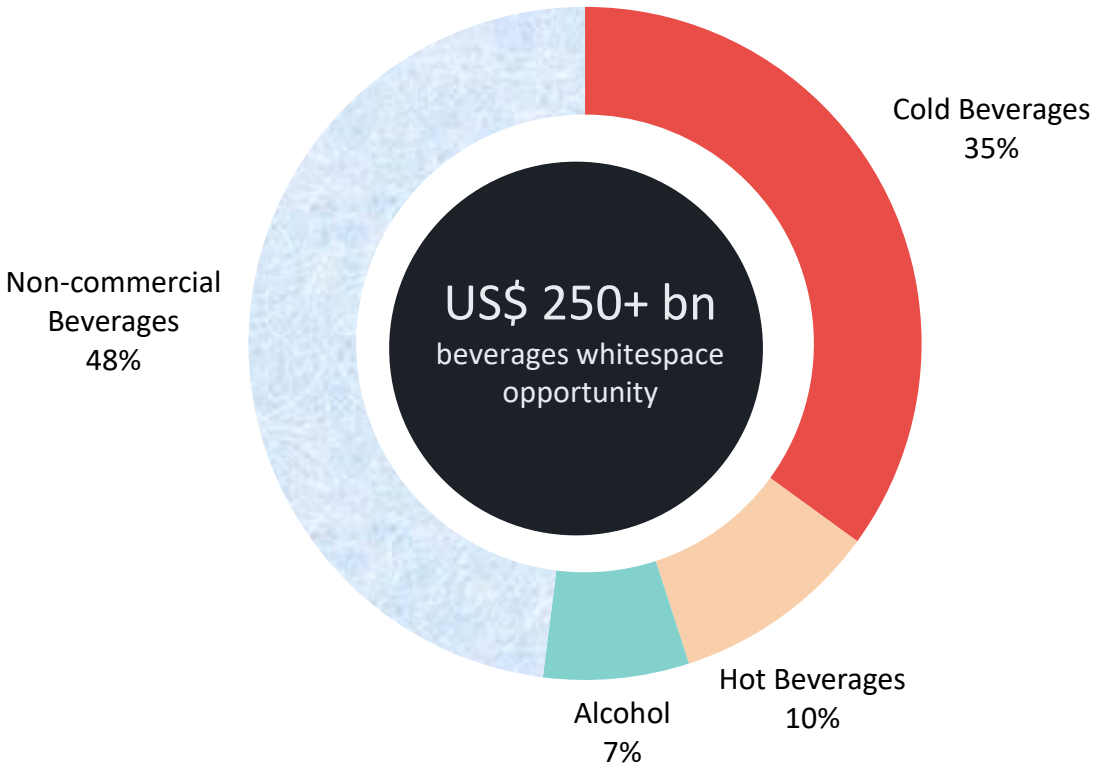


<sup>(1)</sup> Consolidated, full year. Operating Cash Flow = operating income + depreciation + amortization & other operating non-cash charges

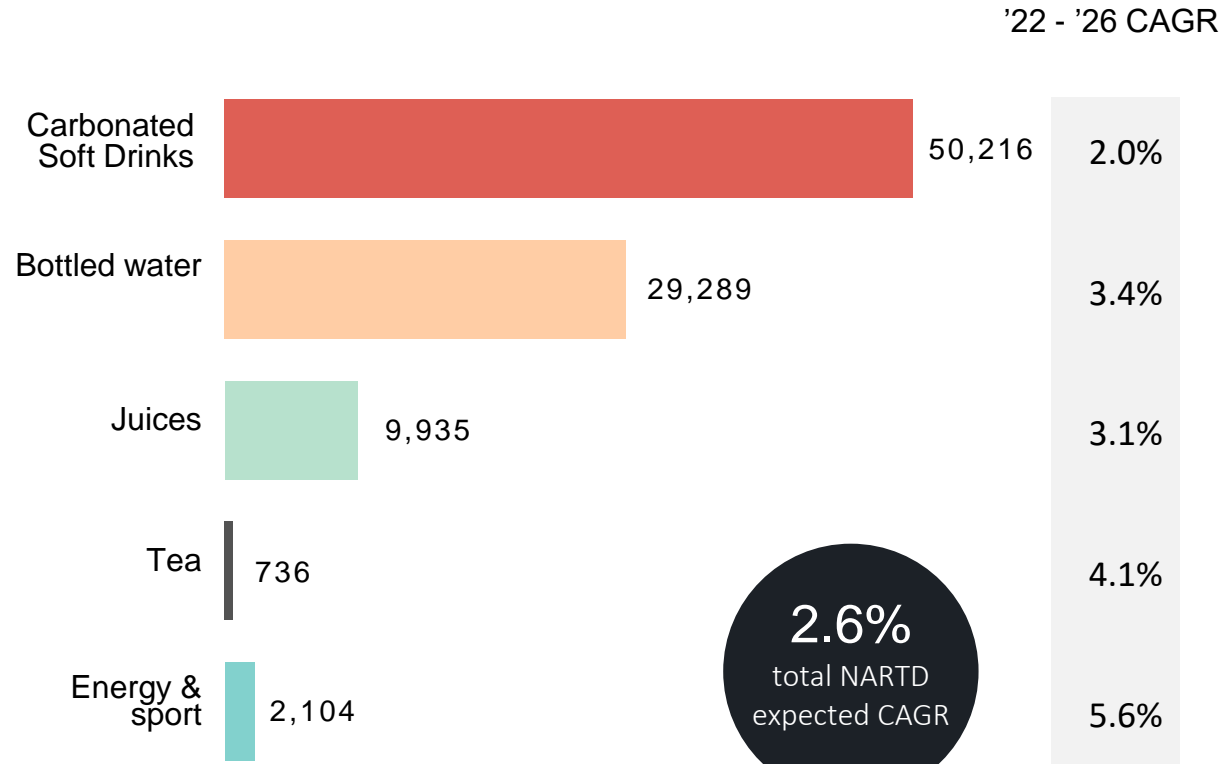
# VAST GROWTH OPPORTUNITIES IN OUR INDUSTRY



LATAM BEVERAGE CATEGORIES BY % OF VOLUME MIX



LATAM INDUSTRY TOTAL VOLUME  
MILLION LITERS, 2021



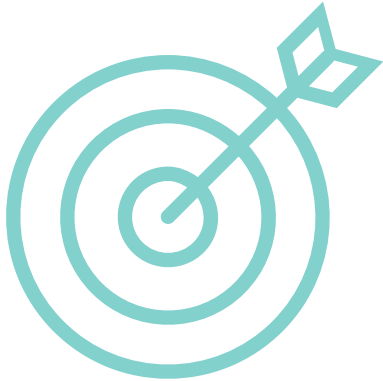
Source: IHS, Global Data, Internal Analysis

Source: Euromonitor

# BETTER ALIGNED THAN EVER WITH THE COCA-COLA COMPANY



Driven by our enhanced cooperation framework we are now:



## **MORE ALIGNED**

Aligned growth plans, business economics and management incentives towards long-term system value creation



## **EXPLORING NEW VENTURES**

As the system continues to evolve, we agreed to explore potential new businesses and ventures



## **ACCELERATING OUR DIGITAL STRATEGY**

Develop a joint digital strategy across strategic corridors



# TRANSFORMING TO ACCELERATE OUR GROWTH

To accelerate our transformation into the growth model of the future, we refreshed our purpose and vision

## Purpose

Refresh the world anytime,  
anywhere

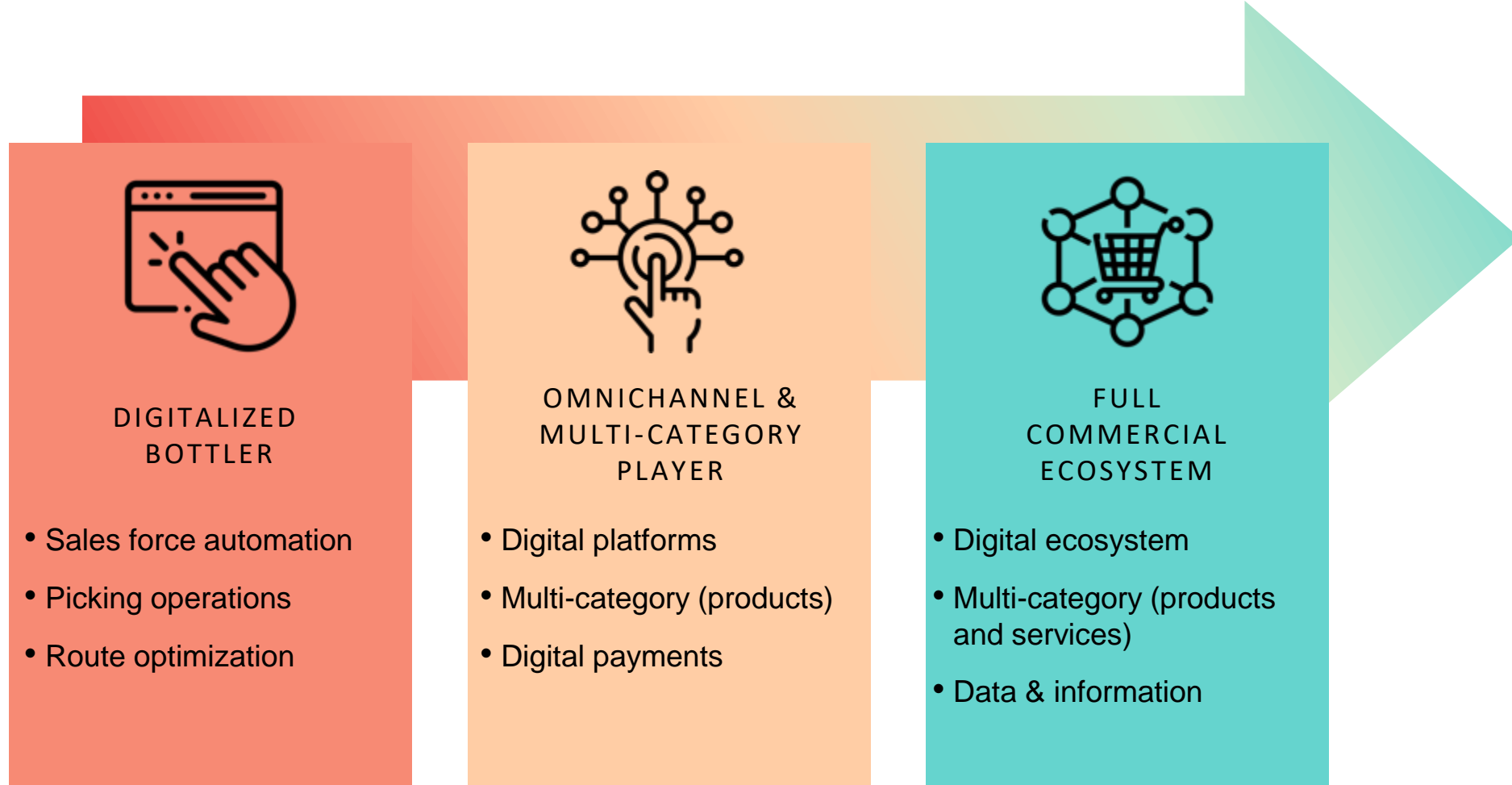
## Vision

Become the world's preferred and  
most sustainable commercial  
ecosystem



# VALUE CREATION JOURNEY

This **revamped vision** is the result of a **continuous value creation journey** within Coca-Cola FEMSA.



# SIX STRATEGIC CORRIDORS



# BUILDING A WINNING PORTFOLIO



## AFFORDABILITY

**+US\$500m**

invested in refillable capacity over the past 2 years



Successful roll-out of the **Universal Returnable Bottle**

## INNOVATION

**62% mix**

of **zero or reduced calories** in CSDs. Substantial progress in our sugar-reduction efforts



Capturing new consumption occasions through the **ARTD** segment

## MIX ENHANCEMENT

Leveraging the popularity of **multipacks**



Successful launch of the new formula of **Coca-Cola Zero Sugar**

## MULTI-CATEGORY

Currently **pilot testing with leading brands** to increase our value proposition in the traditional channel

**Distribution agreements** in Brazil already signed with

- Campari
- Perfetti Van Melle
- Estrella Galicia
- Heineken

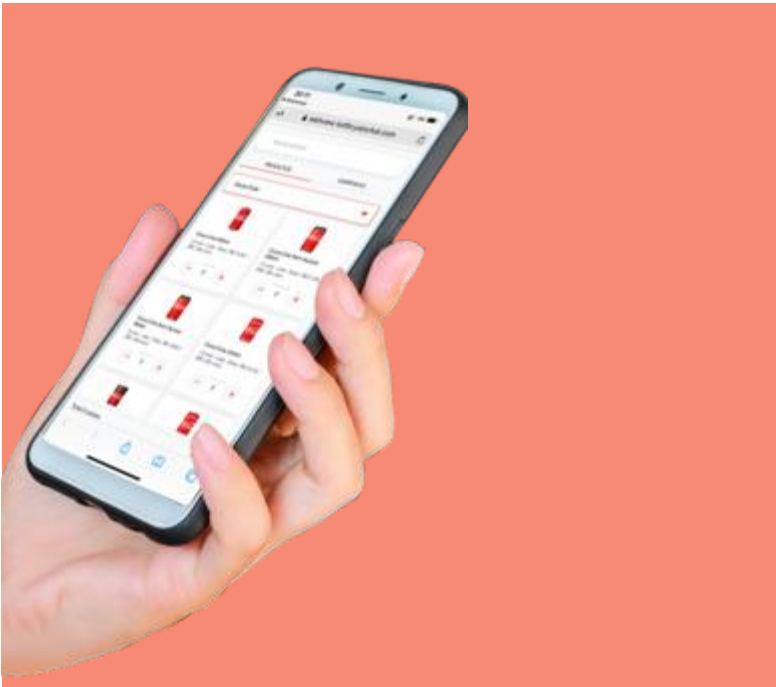
PRE SELLER



CHATBOT



# OMNICHANNEL PLATFORM



APP



WEBSITE

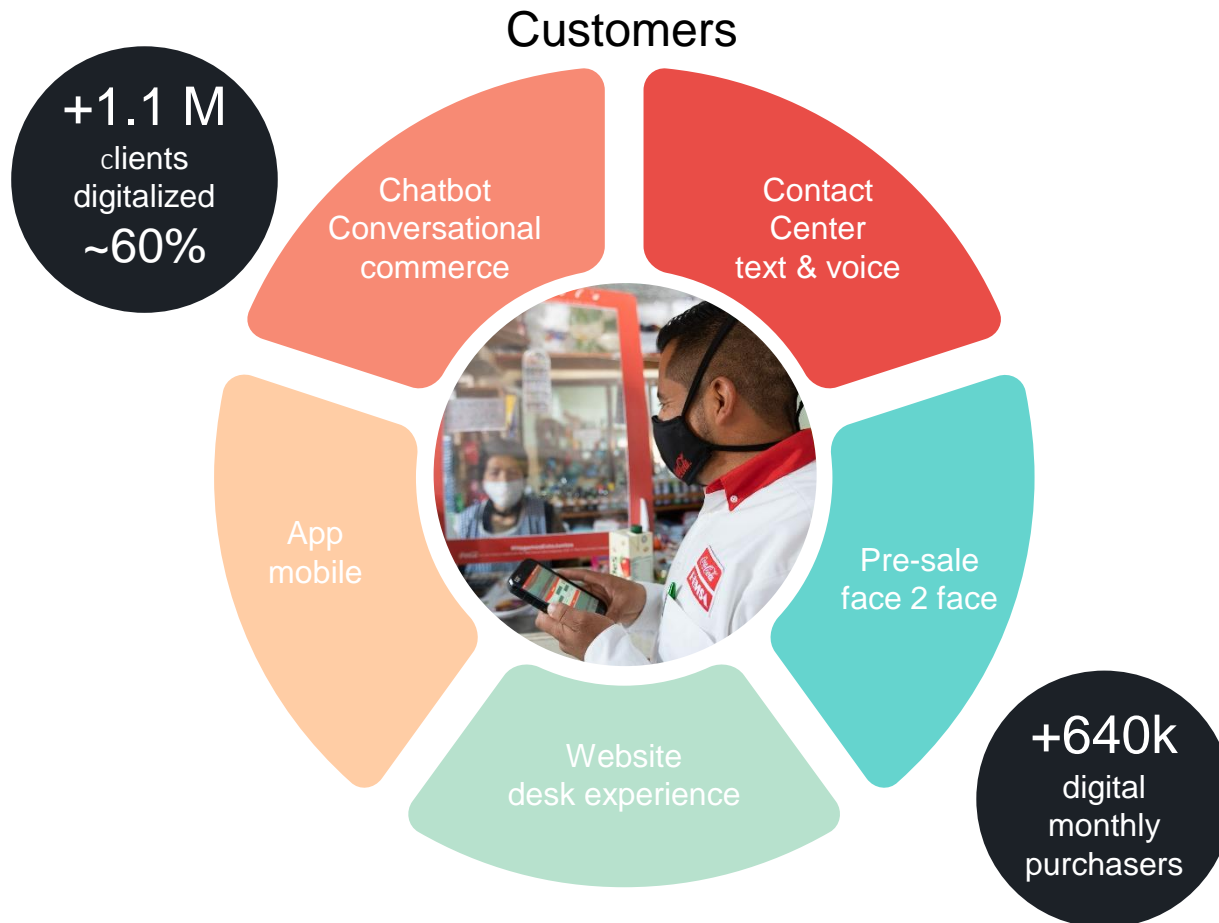


# OMNICHANNEL MULTI-CATEGORY COMMERCIAL PLATFORM



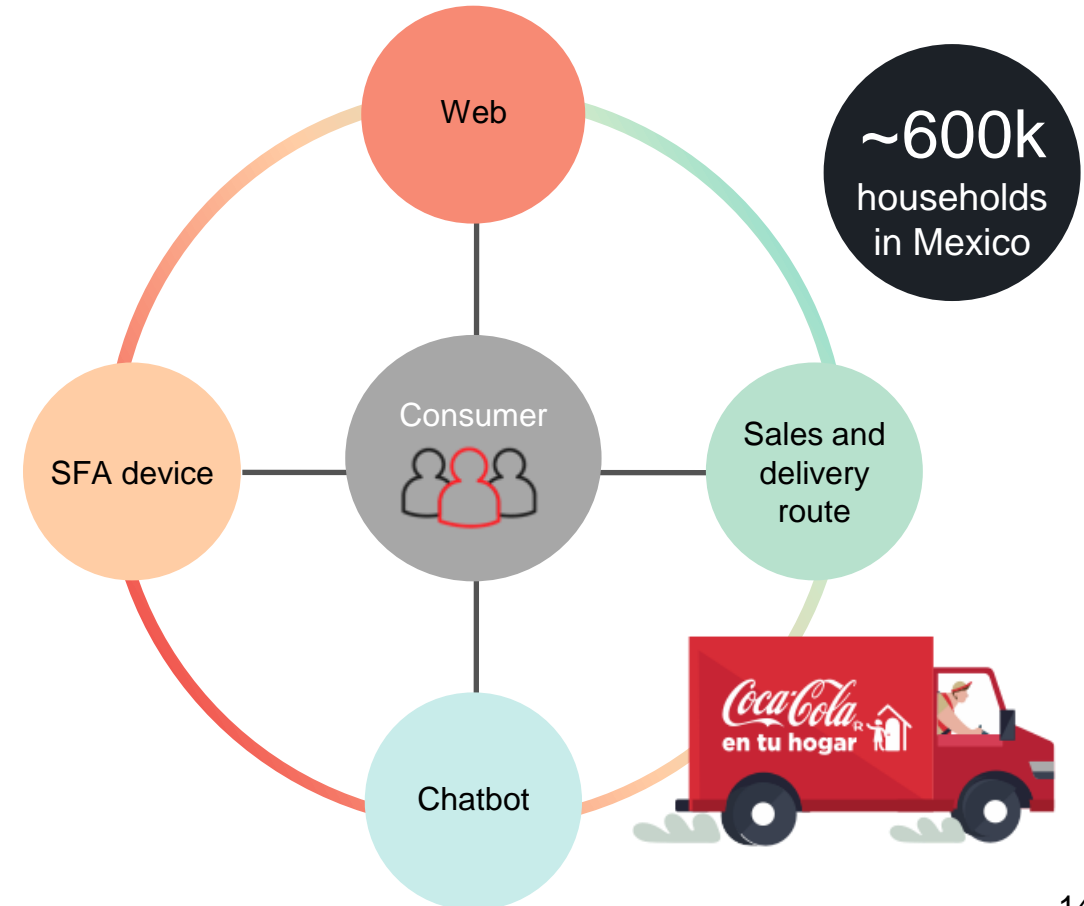
## B2B PLATFORM

For an improved customer experience, **anytime, anywhere**



## D2C PLATFORM

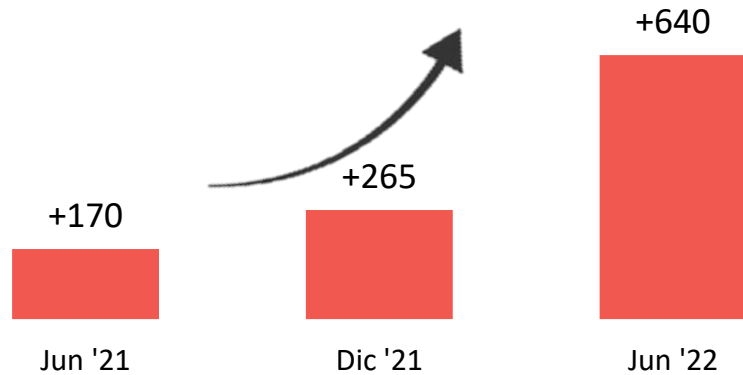
Developing a **D2C business model** to market our Company's products directly to consumers' homes



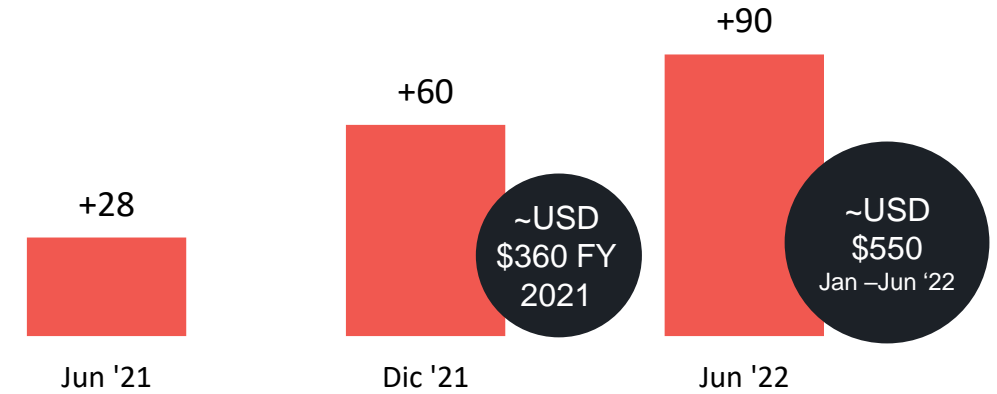
# EVOLUTION OF OUR OMNICHANNEL PLATFORM



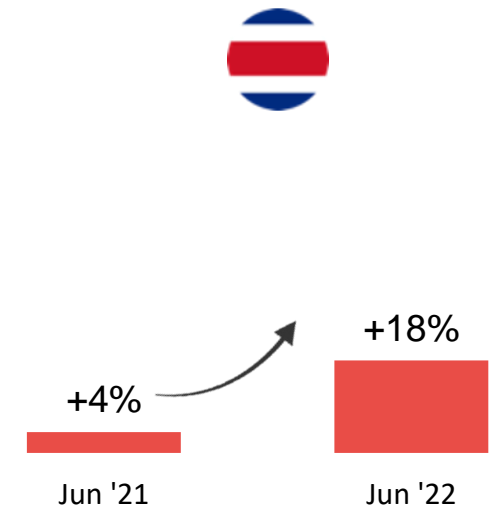
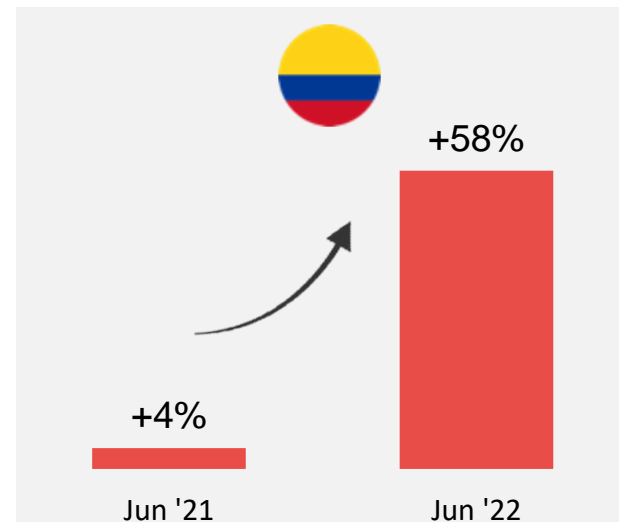
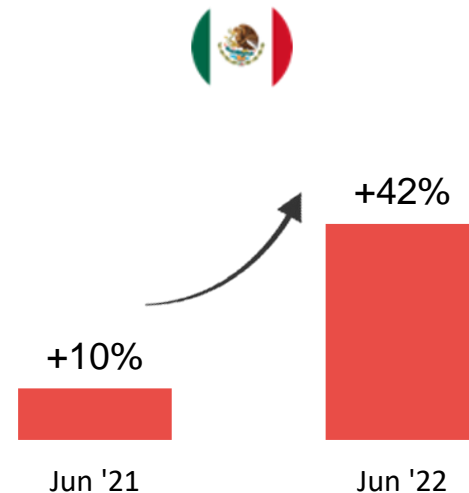
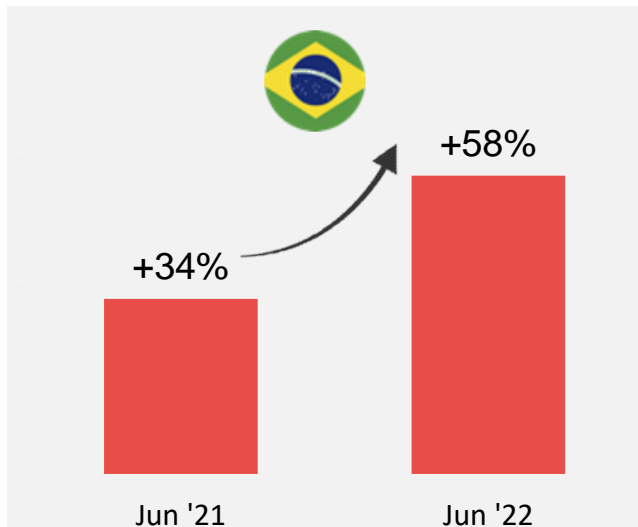
MONTHLY DIGITAL PURCHASERS <sup>(1)</sup>  
(K)



MONTHLY DIGITAL REVENUE <sup>(1)</sup>  
(US\$ MM)



% DIGITAL MONTHLY PURCHASERS / TOTAL CLIENTS



<sup>(1)</sup> Omnichannel Digital Platforms (web, chatbot, app)

# DIGITIZING OUR CORE



WE ARE ENABLING OUR  
DIGITAL  
TRANSFORMATION



Our digital and analytics hub  
is transforming our  
advanced analytics and  
data management  
capabilities.



- Implementing a robust architecture from the core
- Automating processes
- Adapting enablers to scale our initiatives



# DIGITAL-SAVVY PEOPLE CENTRIC CULTURE



We **functionalized** our organization, ensuring **agility and nimbleness**.

## TRANSFORMING KOF THROUGH TALENT



Our talent is the competitive advantage to reach our strategic goals

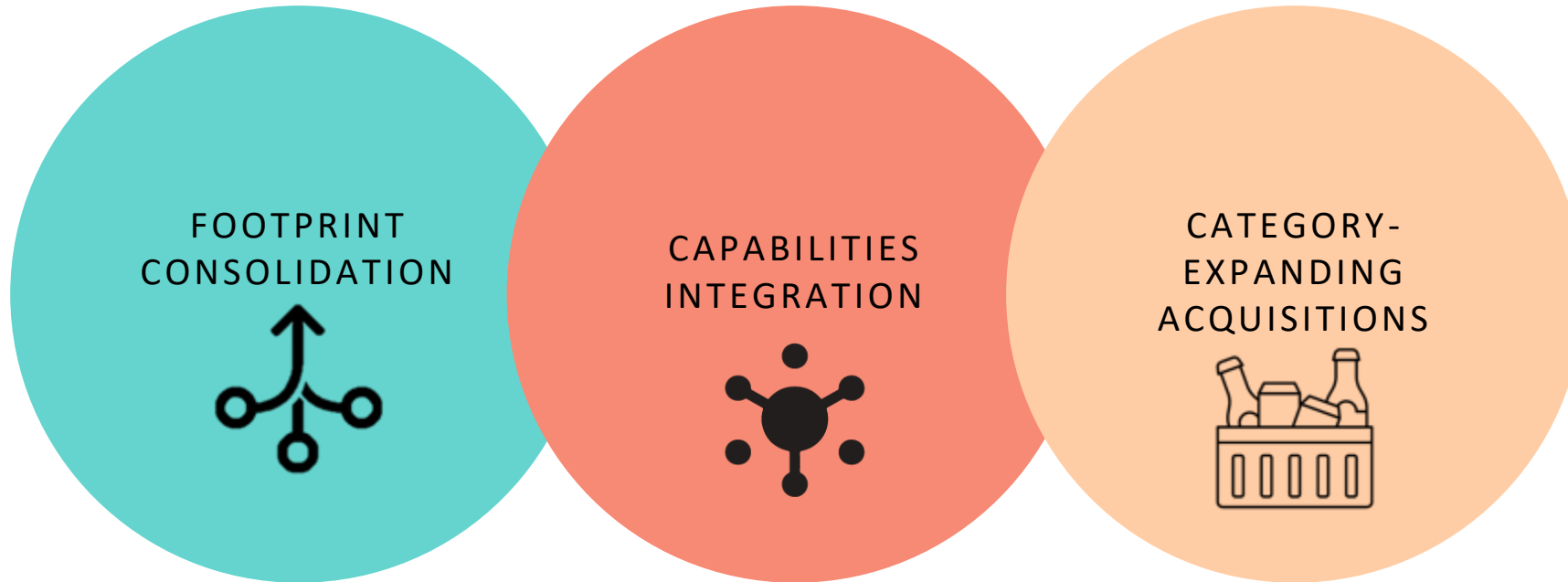


Enabling key organizational capabilities to meet evolving business needs



Developing key initiatives through Agile cells improving time to market

# ACTIVELY PURSUING VALUE-ENHANCING ACQUISITIONS



- Exploring opportunities to shape our Company's **portfolio and footprint** of the future.
- Prioritizing adjacent **categories and capabilities** to enhance our value proposition.



With a very disciplined approach to capital allocation.





# SUSTAINABILITY HIGHLIGHTS 2021

We are on track to meet our sustainability targets, on the back of a robust sustainable financing strategy

The percentage of women in leadership positions has increased from **14% in 2020 to 20% in 2021.**

**US\$115 million**  
invested in projects in circular economy, water stewardship, and climate action.

**+100k benefited**  
in neighboring communities with the funds we operate in collaboration with Fundación FEMSA.

**1<sup>st</sup> Mexican Company**  
to secure approval of the Science Based Targets Initiative (SBTi) for our GHG emissions reduction targets.

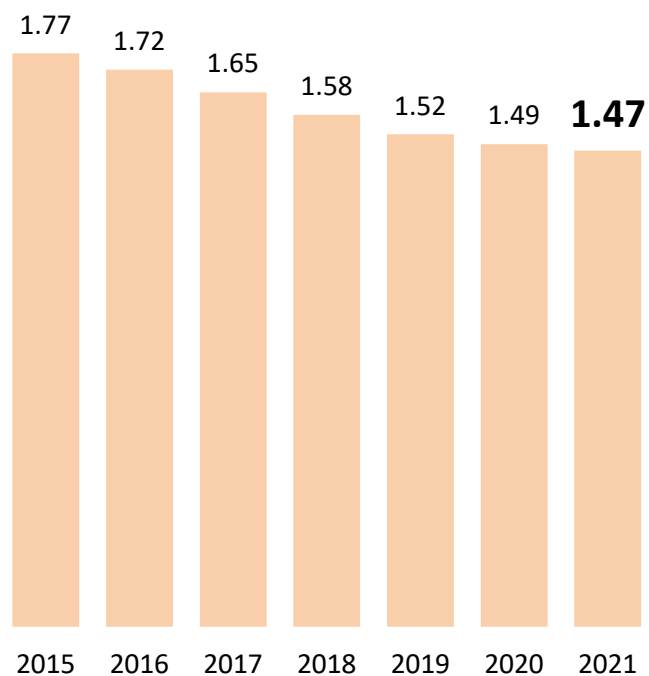
**4<sup>th</sup> consecutive year**  
that Coca-Cola FEMSA is part of the Bloomberg Gender Equality Index.

# SUSTAINABILITY GOALS



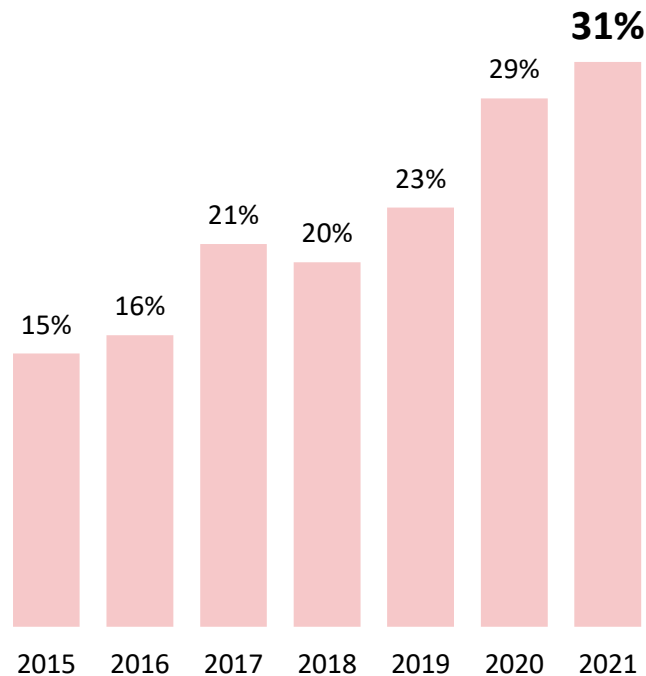
## WATER EFFICIENCY

**2026 GOAL:**  
1.26 lt of water used per liter of  
beverage produced



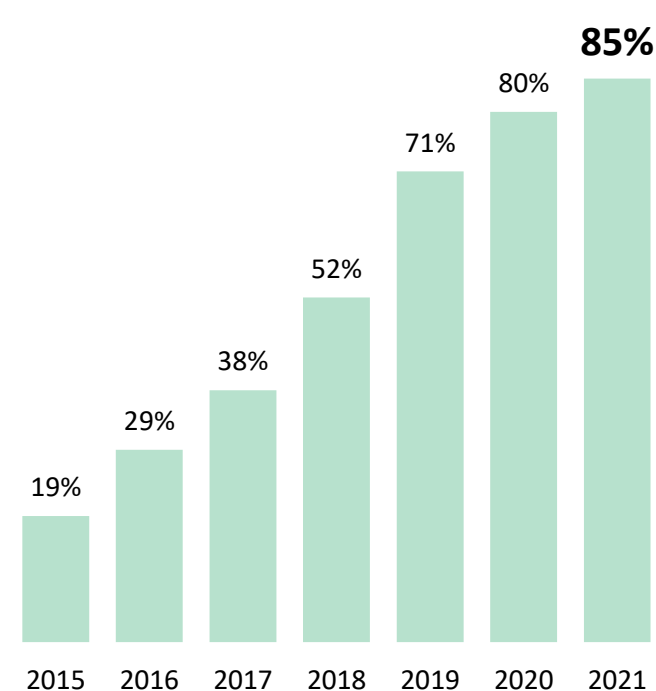
## % RECYCLED CONTENT

**2030 GOAL:**  
50% of recycled resin (rPET) in  
our PET bottles



## CLEAN ENERGY IN MANUFACTURING

**2030 GOAL:**  
Reduce 50%\* absolute GHG  
emissions from our operation



\* vs 2015

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03

FINANCIAL HIGHLIGHTS

# INDUSTRY LEADING CAPABILITIES TO WIN IN THE MARKET

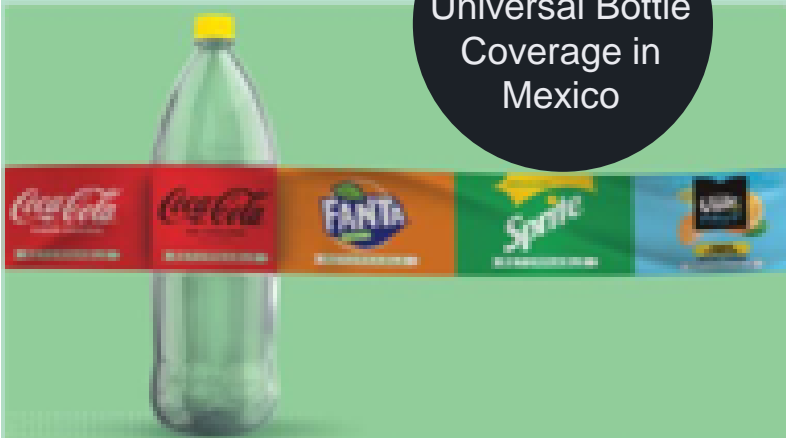


## AFFORDABILITY AND REVENUE GROWTH MANAGEMENT

- Unmatched affordability and RGM
- Driving affordability and top-line growth despite inflationary environment

**+85%**

Universal Bottle Coverage in Mexico



## CUSTOMER SEGMENTATION AND POINT OF SALE EXECUTION

- Relentless passion to serve our customers with excellence
- Investments in increasing cooler coverage across our markets



**+100K clients created in Colombia in 2021**



## OMNICHANNEL ACCELERATION

- Digitizing the traditional trade in Latin America
- Increased customer satisfaction across our territories



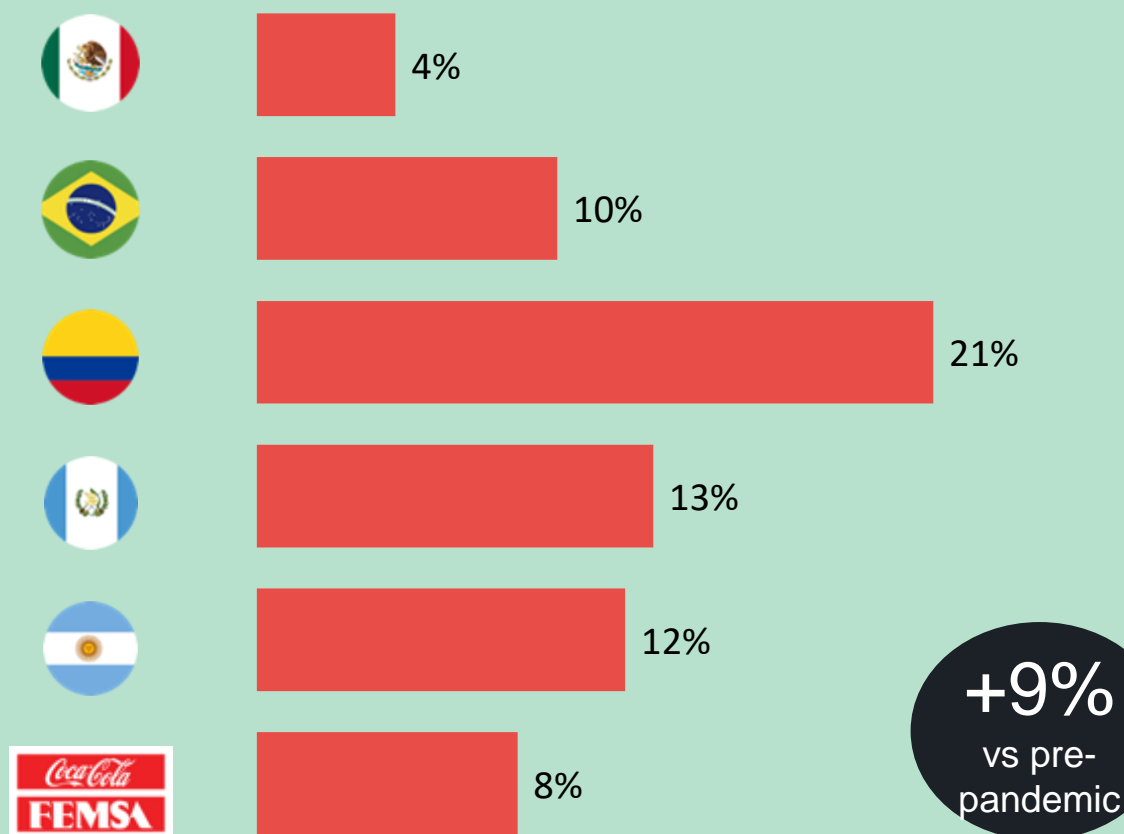
**+40%** of our orders in Brazil are digital



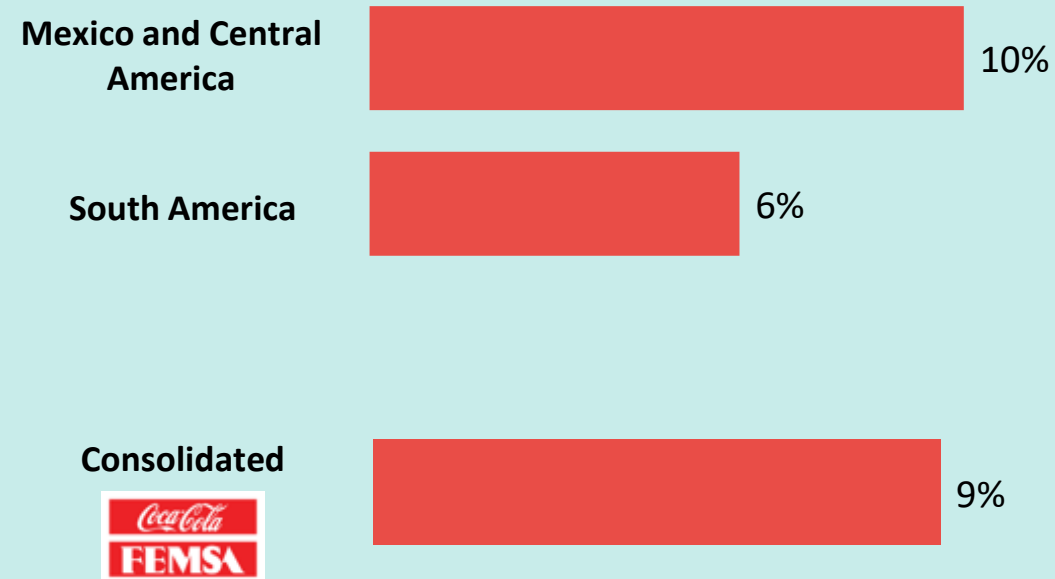
# STRONG PERFORMANCE ACROSS OUR MARKETS



## VOLUME GROWTH LTM 2Q22 VS 2Q21



## OPERATING CASH FLOW GROWTH BY DIVISION<sup>(1)</sup> LTM 2Q22 VS 2Q21<sup>(2)</sup>



<sup>(1)</sup> Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges

<sup>(2)</sup> Figures in USD



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# PROTECT THE SHORT TERM WITH A LONG-TERM VIEW



A disciplined raw material and currency hedging strategy...

Raw Material	Hedge 2022	Hedge 2023	
PET	~70%	~30%	
Aluminium	~40%	~30%	
Sugar	~75%	~35%	
HFCS	~90%	~90%	

... substantially mitigating margin pressures and ensuring solid financials

Operating Cash Flow <sup>(1)</sup>	LTM GROWTH		Free Cash Flow generation <sup>(2)</sup>
	Volume	Revenue	
8.5%	8.3%	17.0%	USD 1 billion

**DIVIDENDS**  
+USD 4.3 billion paid over the last 10 years

**AS OF JUNE 31, 2022**  
Solid cash position: +US \$2.3b  
Net debt ratio: <0.9x

**ESTIMATED CAPEX FOR 2022**  
7% - 8%  
as a percentage of sales

(1) Operating Cash Flow = operating income + depreciation + amortization & other operating non-cash charges

(2) Free Cash Flow generation after CAPEX and taxes

# KEY TAKEAWAYS



## KOF TODAY

**Renewed strategy...**

**Right capabilities to protect the short term...**

**Omnichannel strategy showing results and rapidly accelerating across markets...**

**New phase in the relationship with TCCC**

## KOF IN THE FUTURE

**to achieve long-term ambitions.**

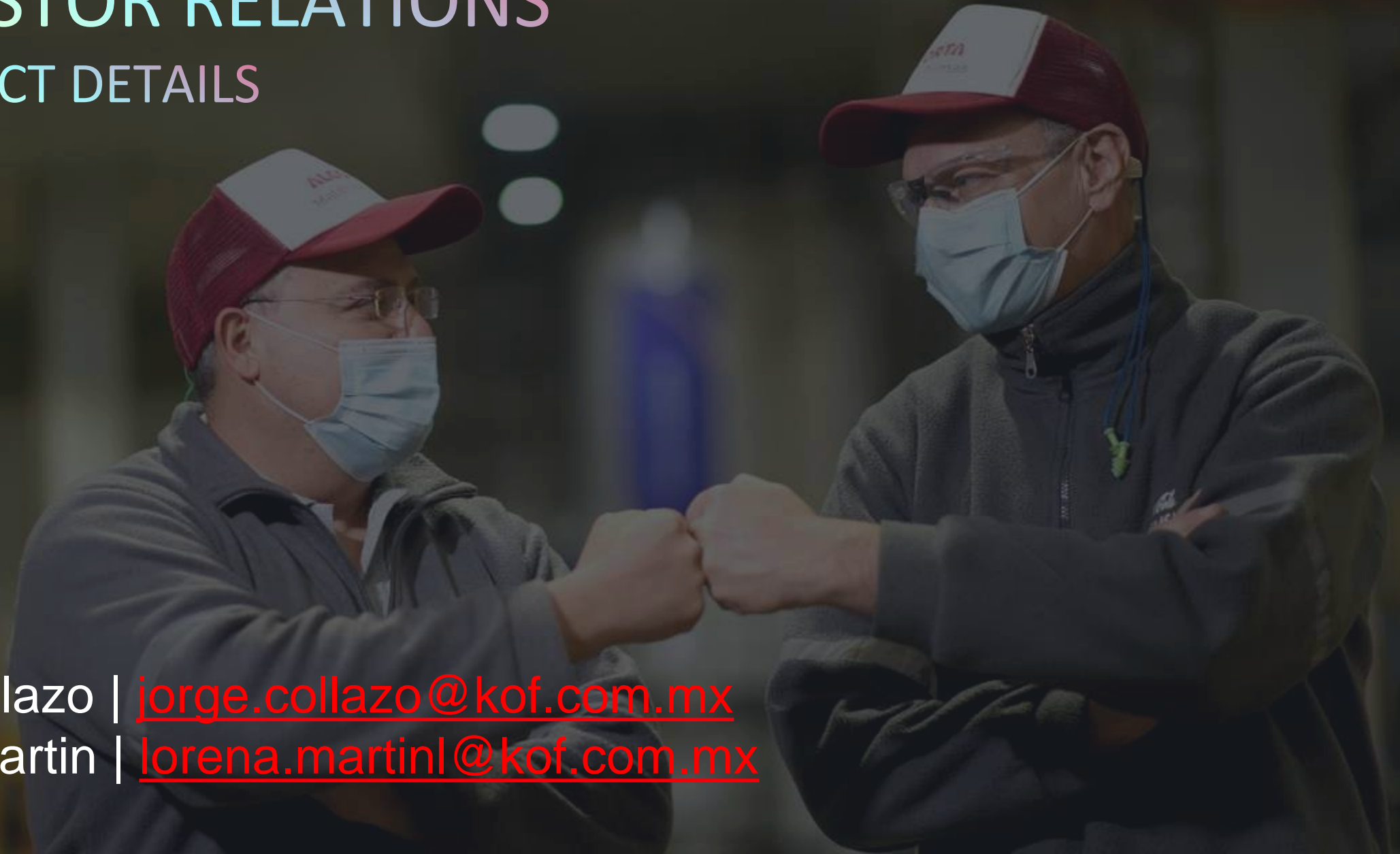
**while accelerating towards a very promising long-term.**

**positioning us better than ever to capture exponential growth.**

**aligning our model for the long term.**

# INVESTOR RELATIONS

## CONTACT DETAILS



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Lorena Martin | [lorena.martinl@kof.com.mx](mailto:lorena.martinl@kof.com.mx)