

EARNINGS RELEASE

NET SALES GREW 6.7% WITH EBITDA UP 11.4% IN 3Q19

Monterrey, Mexico, October 25, 2019 – Arca Continental, S.A.B. de C.V. (BMV: AC*) (“Arca Continental” or “AC”), the second-largest Coca-Cola bottler in Latin America, announced its results for the third quarter and nine months of 2019 (“3Q19” and “9M19”).

Table 1: Financial Highlights

DATA IN MILLIONS OF MEXICAN PESOS						
	3Q19	3Q18	Variation %	Jan-Sep'19	Jan-Sep'18	Variation %
Total Beverage Volume (MUC)	587.3	573.1	2.5	1,679.0	1,675.1	0.2
Net Sales	42,415	39,746	6.7	121,319	116,197	4.4
EBITDA	8,024	7,203	11.4	22,387	20,656	8.4
Net Income	2,733	2,366	15.5	7,252	6,372	13.8

Total Beverage Volume includes jug water

Net sales not including Revenues outside the territory (OT) in USA

EBITDA = Operating income + Depreciation + Amortization + Non Recurring Expenses

3Q19 HIGHLIGHTS

- Net Sales increased 6.7% when compared to 3Q18, to Ps. 42,415 million.
- EBITDA reached Ps. 8,024 million with a margin of 18.9%, up 11.4% when compared to 3Q18.
- Net Income increased 15.5% for a margin of 6.4% to reach Ps. 2,733 million.

9M19 HIGHLIGHTS

- Net Sales reached Ps. 121,319 million representing an increase of 4.4%.
- EBITDA reached Ps. 22,387 million representing a margin of 18.5%.
- Net Income grew 13.8% to Ps. 7,252 million for a margin of 6%.

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“The deployment of our digital initiatives and operating discipline, combined with our flexible price/pack architecture, enabled us to increase our sales by 6.7% in the third quarter, with significant growth in operating cash flow (“EBITDA”) of 11.4%”, stated Arturo Gutiérrez, Chief Executive Officer of Arca Continental.

“Seeking to have a solid close to the year, we will continue to focus on strengthening our customer and consumer ties as an important part of our priorities, supported by innovation, continuous improvement of commercial strategies and the commitment of our team to be the leaders of change in all our operations.”

CONSOLIDATED RESULTS

The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS").

TABLE 2: CONSOLIDATED DATA

	3Q19	3Q18	Variation %	Jan-Sep'19	Jan-Sep'18	Variation %
Volume by category (MUC)						
Colas	301.3	296.4	1.6	855.4	857.8	-0.3
Flavors	109.8	109.9	0.0	325.6	333.8	-2.4
Sparkling Total Volume	411.1	406.3	1.2	1,181.0	1,191.6	-0.9
Water*	65.0	64.0	1.6	184.1	185.0	-0.5
Still Beverages**	49.4	46.5	6.2	136.8	132.5	3.3
Volume excluding Jug	525.6	516.8	1.7	1,502.0	1,509.1	-0.5
Jug	61.7	56.3	9.6	177.1	166.0	6.6
Total Volume	587.3	573.1	2.5	1,679.0	1,675.1	0.2
Income Statement (MM MXP)						
Net Sales***	42,415	39,746	6.7	121,319	116,197	4.4
EBITDA	8,024	7,203	11.4	22,387	20,656	8.4

* Includes all single-serve presentations of purified, flavored, and mineral water.

** Includes teas, isotonic, energy drinks, juices, nectars, and fruit beverages.

*** Net Sales not including Revenues outside the territory (OT) in USA

FINANCIAL ANALYSIS

INCOME STATEMENT

- Consolidated net sales reached Ps. 42,415 million in 3Q19, an increase of 6.7% versus 3Q18. This figure reached Ps. 121,319 million in the first nine months of 2019, up 4.4% compared to last year.
- Sales volume increased 1.7% in the third quarter excluding jug water, mainly due to the 6.2% increase in the still beverage segment. For the first nine months of 2019, volume remained flat versus last year.
- In 3Q19 costs increased 5.7% as a result of the growth in sales volume, higher taxes in Mexico and the sale of higher cost products in the U.S.
- Consolidated gross profit increased to Ps. 19,109 million, 7.9% above 3Q18, reaching a gross margin of 45.1%. In 9M19 gross profit reached Ps. 54,150 million to reach a gross margin of 44.6%.



- Selling and administrative expenses increased from Ps. 12,676 million in 3Q18 to Ps. 13,391 million, 5.6% higher in 3Q19, reflecting the investments made in digital transformation and innovation initiatives, as well as higher depreciation of assets. For the first nine months of 2019, SG&A reached Ps. 38,806 million, reflecting an increase of 2.8%, and representing 32% of revenues, 50 basis points lower than 9M18.
- Regarding changes resulting from the application of IFRS 16, the effects on the 3Q19 results were: depreciation expense of Ps. 120 million and financial expenses of Ps. 24 million. As of September 2019, the effects on depreciation expenses and financial expenses were Ps. 329 million and Ps. 67 million, respectively.
- In 3Q19, consolidated operating income reached Ps. 5,527 million, an increase of 6.9% compared to 3Q18, and representing a margin of 13%. For the first nine months of the year this figure increased 4.7% to Ps. 15,133 million for an operating margin of 12.5%.
- During 3Q19, consolidated EBITDA increased 11.4% to Ps. 8,024 million, representing a margin of 18.9%, up 80 basis points vs. 3Q18. For the first nine months of 2019 this figure reached Ps. 22,387 million, an increase of 8.4% and an 18.5% margin. The benefit to EBITDA from the application of IFRS 16 this quarter reached Ps. 144 million.
- The comprehensive financing result for 3Q19 declined 41% compared to 3Q18 to Ps. 709 million mainly due to a foreign exchange loss in 3Q18 and lower interest expense. For the first nine months of 2019 this figure reached Ps. 2,624 million, 24.4% lower than 9M18.
- In 3Q19, the income tax provision reflects an effective tax rate of 30.4% for an amount of Ps. 1,459 million, 28.8% higher than 3Q18. Year-to-date in September the effective tax rate was 28.9%, 30 basis points higher than in 2018.
- Arca Continental's net income for 3Q19 increased 15.5% to Ps. 2,733 million reflecting a margin of 6.4%; for 9M19 this figure reached Ps. 7,252 million, for a net margin of 6.0%.

BALANCE SHEET & CASH FLOW STATEMENT

- As of September 30, 2019, the cash balance was Ps. 21,020 million and debt was Ps. 55,083 million, for a net debt position of Ps. 34,063 million. The Net Debt/EBITDA ratio, excluding the effects of applying IFRS 16, was 1.18x.
- Net operating cash flow reached Ps. 20,122 million in 3Q19.
- CAPEX for the period totaled Ps. 7,555 million, of which approximately 40% was directed to our U.S. operation, mainly for construction of the new plant in Houston and other market investments.



Mexico

Arca Continental reports its information for three regions: Mexico, United States and South America, (which includes Peru, Argentina and Ecuador). Each region includes results for the beverage and complementary businesses.

TABLE 3: MEXICO DATA

	3Q19	3Q18	Variation %	Jan-Sep'19	Jan-Sep'18	Variation %
Volume by Category (MUC)						
Colas	196.6	193.9	1.4	542.5	545.6	-0.6
Flavors	40.3	38.4	4.8	109.0	107.6	1.3
Sparkling Total Volume	236.9	232.3	2.0	651.5	653.2	-0.3
Water*	33.0	29.6	11.5	83.7	80.4	4.0
Still Beverages**	18.6	17.7	5.3	53.0	50.3	5.4
Volume excluding jug	288.5	279.6	3.2	788.2	784.0	0.5
Jug	59.5	54.1	10.1	168.7	157.8	6.9
Total Volume	348.0	333.7	4.3	956.9	941.8	1.6
Mix (%)						
Returnable	31.9	32.0	-0.1	31.6	31.6	0.1
Non Returnable	68.1	68.0	0.1	68.4	68.4	-0.1
Multi-serve	54.5	53.8	0.7	53.8	53.1	0.7
Single-serve	45.5	46.2	-0.7	46.2	46.9	-0.7
Income Statement (MM MXP)						
Net Sales	18,817	17,135	9.8	51,147	47,231	8.3
EBITDA	4,585	4,097	11.9	11,926	10,905	9.4

* Includes all single-serve presentations of purified, flavored, and mineral water.

** Includes teas, isotonic, energy drinks, juices, nectars, and fruit beverages.

OPERATING RESULTS FOR MEXICO

- Net sales in 3Q19 for Mexico reached Ps. 18,817 million, an increase of 9.8%. Sales volume increased 3.2% to 288.5 MUC (excluding jug water). The average price per unit case, excluding jug water, increased 6.4% to Ps. 62 as a result of selective price adjustments. For the first nine months of 2019, net sales grew 8.3% to Ps. 51,147 million with volume of 788.2 MUC, 0.5% higher than 9M18.
- In 3Q19 EBITDA for Mexico rose 11.9% to Ps. 4,585 million, representing a margin of 24.4%, expanding 50 basis points versus 2Q19. For 9M19, EBITDA increased 9.4% to Ps. 11,926 million, for a margin of 23.3%.



- During the quarter, we executed the second phase of Coca-Cola Café with its launch in the traditional channel; it currently has 94% coverage in convenience stores. In addition, we launched Coca-Cola Energy, posting favorable results in terms of volume and coverage.
- During the last quarter we launched Isolite, a beverage specially formulated for rehydration with electrolytes, which achieved 70% coverage within the traditional channel and was also added to pharmacy points of sale.
- We continued capitalizing on the deployment of our advanced analytics capabilities. At the one-year mark of launching the suggested order use, we achieved a 25% reduction of out of stocks in the traditional channel. At the same time, we have developed new models to strengthen our market position and continue capturing new consumption occasions.
- During 3Q19 we carried out commercial activities for returnable single serve presentations, with cross promotions with Bokados and other initiatives to protect the affordability of our products, while driving up the mix of single serve packages.
- The traditional channel posted the highest growth as a result of the innovation and implementation of the aforementioned use cases and the deployment of several initiatives to strengthen our volume performance, such as the campaign focused on multi-serve packages combined with products of the basket of goods to support the family economy.
- In 3Q19, Vending in Mexico posted double-digit revenue growth and a mid-single digit EBITDA growth mainly as a result of pricing adjustments. We kicked-off a project in Monterrey for the installation of new digital payment methods to stay at the forefront of technological innovation and maintain our leading position.
- Bokados posted high single-digit revenue and double-digit EBITDA growth. Revenues were driven mainly by the modern channel and by the potato chip, popcorn and mix categories. On the other hand, the increase in EBITDA resulted from better production and distribution strategies which focus on the continuity of brand expansion in the center and south of the country, supported by the new plant in Queretaro.



UNITED STATES

The U.S. includes the beverage businesses of CCSWB and the snacks businesses of Wise and Deep River.

TABLE 4: UNITED STATES DATA

	3Q19	3Q18	Variation %	Jan-Sep'19	Jan-Sep'18	Variation %
Volume by Category (MUC)						
Colas	50.9	48.5	5.0	147.9	147.3	0.4
Flavors	28.8	27.6	4.3	82.8	83.7	-1.0
Sparkling Total Volume	79.7	76.1	4.7	230.7	231.0	-0.1
Water*	16.1	17.7	-9.4	44.7	49.3	-9.3
Still Beverages**	21.7	20.0	8.5	55.7	54.3	2.7
Total Volume	117.4	113.8	3.2	331.2	334.6	-1.0
Mix (%)						
Multi-serve	61.4	62.1	-0.7	62.9	63.3	-0.4
Single-serve	38.6	37.9	0.7	37.1	36.7	0.4
Income Statement (MM MXP)						
Net Sales***	15,741	14,268	10.3	44,183	41,584	6.2
EBITDA	1,978	1,646	20.1	5,315	4,696	13.2

* Includes all single-serve presentations of purified, flavored, and mineral water.

** Includes teas, isotonic, energy drinks, juices, nectars, and fruit beverages.

*** Net Sales not including Revenues outside the territory (OT) in USA

OPERATING RESULTS FOR THE U.S.

- Total revenues in the U.S. reached Ps. 15,741 million in 3Q19, up 10.3% when compared to 3Q18. Sales volume came in at 117.4 MUC, 3.2% higher than 3Q18, mainly driven by the growth in still beverages and sparkling categories which rose 8.5% and 4.7%, respectively.
- EBITDA for the U.S. region reached Ps. 1,978 million, representing a margin of 12.6%, an expansion of 110 basis points when compared to 3Q18. For the first nine months, EBITDA reached Ps. 5,315 million, up 13.2% when compared to 9M18.
- We continued strengthening our capabilities of development and deployment of our Go to Market model in the On-Premise channel, which represents 53% of our total customer base, with the goal of strengthening our customer relations by increasing the frequency of contact and in person visits. In the third quarter we included all our operations in Texas.
- As part of the synergy plan, during the quarter we enhanced the advanced analytics use cases for sales recommendations and optimization per the feedback received from our sales force.
- We began developing the new generation of Service Models for Large and Small Stores, accelerating the digitalization of our operations. These models will enhance our service in key accounts in urban and rural areas, strength our execution efforts in the market and increase the efficiency of our operations. In addition, we are structuring the e-commerce channel to capture demand in the digital space. We aim to deploy these models in 2020.



- During the quarter we launched new flavors of the energy drink Reign in Walmart, achieving 100% coverage within the first 10 days.
- Topo Chico is one of the brands that posted a solid performance in the U.S., mainly in the On Premise channel where it has grown 2.1% year-to-date and achieved 34% coverage within this channel.
- During the quarter we focused on the multicultural segment of our consumer base, which represents 53% of the market in CCSWB territories. We carried out campaigns to drive imported brands that attract this segment. For example, we have implemented bilingual execution for *Día de los Muertos* celebration and special edition racks featuring the Mexican National Soccer Team.
- In 3Q19, Wise posted low single-digit revenue growth as well as a significant recovery in EBITDA. Our strategy has been to focus on more profitable markets, such as the Northeast region of the U.S. where the brand has a major presence, better distribution and closer proximity to the production center, which has made distribution costs more efficient. In addition, we implemented an initiative focused on those SKUs with the highest growth rates in the U.S.



South America

South America includes beverage operations in Peru, Argentina, Ecuador and the Inalecsa snacks business.

TABLE 4: SOUTH AMERICA DATA

	3Q19	3Q18	Variation %	Jan-Sep'19	Jan-Sep'18	Variation %
Volume by Category (MUC)						
Colas	53.7	54.0	-0.5	164.9	164.9	0.0
Flavors	40.8	43.8	-6.9	133.8	142.5	-6.1
Sparkling Total Volume	94.5	97.8	-3.4	298.8	307.4	-2.8
Water*	16.0	16.7	-4.2	55.7	55.2	0.9
Still Beverages**	9.1	8.8	3.0	28.1	27.9	0.6
Volume excluding jug	119.6	123.3	-3.0	382.6	390.6	-2.0
Jug	2.2	2.2	-3.1	8.4	8.2	1.8
Total Volume	121.8	125.6	-3.0	391.0	398.8	-2.0
Mix (%)						
Returnable	30.6	28.5	2.0	30.2	28.6	1.7
Non Returnable	69.4	71.5	-2.0	69.8	71.4	-1.7
Multi-serve	66.2	67.7	-1.5	66.3	67.5	-1.2
Single-serve	33.8	32.3	1.5	33.7	32.5	1.2
Income Statement (MM MXP)						
Net Sales	7,857	8,344	-5.8	25,989	27,382	-5.1
EBITDA	1,461	1,460	0.1	5,146	5,055	1.8

* Includes all single-serve presentations of purified, flavored, and mineral water.

** Includes teas, isotonic, energy drinks, juices, nectars, and fruit beverages.

OPERATING RESULTS FOR SOUTH AMERICA

- Net sales for South America reached Ps. 7,857 million in 3Q19, a decline of 5.8% mainly as a result of the Argentine peso devaluation. In the first nine months of 2019, net sales reached Ps. 25,989 million, down 5.1% when compared to 9M18.
- In 3Q19, total sales volume for South America decreased 3% to 119.6 MUC, excluding jug water. In 9M19 volume for the region was down 2%.
- EBITDA for South America in 3Q19 reached Ps. 1,461 million, reflecting a margin of 18.6%, representing an expansion of 110 basis points when compared to 3Q18. EBITDA for 9M19 reached Ps. 5,146 million, up 1.8% and a margin of 19.8%, 130 additional basis points when compared to 9M18.



Peru

- Sales volume in Peru for 3Q19 remained flat when compared to 3Q18 mainly due to a 5.3% drop in flavors which was compensated by a 12% increase in the still beverage category. In the first nine months of 2019, total volume grew 3%.
- Sales volume registered positive trends in the traditional channel, driven mainly by returnable multi-serve packages, low and no sugar products, reaching 34% of the total mix, as well as the successful launch of Frugos Fresh in 500 ml and 1.5 liter formats, reaching over 40% coverage.
- In 3Q19 we continued strengthening our commercial capabilities with the installation of 3,500 coolers and the introduction of 650 thousand returnable cases with the goal of increasing our coverage among the retail and Direct to Home channels.
- In terms of our value share, we had positive results in the juices and sport drink categories posting low single-digit growth, which enabled us to maintain our value share levels for the entire portfolio.
- The Vending business in Peru posted double-digit growth in the number of transactions, as a result of the introduction and growth generated by the coffee category. Furthermore, we completed the installation of 800 machines.

Ecuador

- During 3Q19, Ecuador's sales volume rose 4.1% mainly due to the growth rates registered in the still beverage and colas segments of 8.4% and 7.2%, respectively. In the first nine months of 2019, sales volume remained flat compared to 9M18.
- We completed the reformulations of Fanta, Fioravanti, Inca Kola and Sprite with the goal of reversing the negative trend observed in this category. This initiative, combined with solid execution at the point of sale, will enable us to recover volume.
- During the quarter, we launched returnable packages in the still beverage portfolio in 300ml presentations for tea, water and juices at strategic price points aimed at protecting affordability.
- We were able to capture 14 thousand new customers in the traditional channel, as a result of an increase in our distribution and service capabilities, returnability strategies, introduction of cooler equipment and joint negotiations with Tonicorp and Inalecsa. These steps helped us maintain 3.2% growth in this channel.
- In 3Q19, Inalecsa posted high single-digit growth in volume and EBITDA. These results were achieved due to a better negotiation strategy with our key suppliers of raw materials, which helped to offset the price increase of these inputs. In addition, we carried out innovation initiatives with the launching of the new Tigretón Cookies & Cream flavor and improved our distribution capabilities by switching from third-party to direct distribution.
- This quarter, Tonicorp posted low single-digit volume declines, largely as a result of the white milk category, while key categories such as ice cream and flavored milk continued posting positive result trends. We continue focusing on the innovation of new products in the yogurt and ice cream segments with affordable presentations.



Argentina

- In 3Q19, sales volume in Argentina declined 16.1%, while for the first nine months of 2019 it decreased by 15.1%.
- During the quarter, we carried out a strategy to impulse returnable packages in the traditional channel in order to increase our coverage and maintain affordability for consumers.
- We also implemented innovation in new products with the launching Cepita del Valle and Nada in Lemon and Orange flavors in single serve formats; in the still beverages category, we completed the launch of the Hi-C Fresh brand with a new image and flavor to compete in the flavored water category.
- We continued with the strategy to improve service to customers in the interior regions, seeking to bring consumption per capita to the same levels as in the capital cities and standardize the commercial processes of our execution at the point of sale. This quarter, our strategy was to increase the number of territories under this plan which resulted in them contributing volume growth of 3.3% in 3Q19.
- As a result of the commercial initiatives implemented, we have increased our value share in all categories and despite the challenging macroeconomic environment of the country.



RECENT EVENTS

- On September 18, 2019, Arca Continental was selected to become member of the Dow Jones Sustainability Index for Latin America for the 2019-2020 period, as one of the companies with the best results in terms of environmental, social and corporate governance management.
- On August 23, 2019, we carried out an investor event in New York City. Our CEO presented the Company's strategic priorities.
- On July 31, 2019, Fitch Ratings announced the ratification of the investment grade rating "A" for Arca Continental and AC Bebidas, at the global and local level, and raised Arca Continental Lindley's rating from "A-" to "A" in Peru.
- On July 18, 2019, we ratified the designation of Pricewaterhouse Coopers, S.C. as the firm in charge of providing auditing services for our financial statements. In addition, Ernst & Young will be the Company's external auditor effective fiscal year 2020.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on October 25, 2019 to discuss these results at 10:00 am Mexico/Monterrey time / 11:00 am New York time. A live webcast of this event will be available at www.arcacontal.com or connect via telephone.

To participate, please dial:
+1-877-712-5080 (U.S. participants)
+1-334-245-3009 (International participants)
0-1-800-062-2650 (Mexico participants)
Passcode: 36151

About Arca Continental

Arca Continental is a company dedicated to the production, distribution, and sale of non-alcoholic beverages which are brand names of The Coca-Cola Company as well as salty snacks under the brands of Bokados in Mexico, Inalecsa in Ecuador, and Wise and Deep River in the United States. With an outstanding track record of more than 93 years, Arca Continental is the second largest Coca-Cola bottling company in Latin America and one of the most important in the world. Within its Coca-Cola franchise, the company serves a population of more than 119 million in the northern and western parts of Mexico as well as Ecuador, Peru, the northern region of Argentina and the Southwestern U.S. Arca Continental is listed on the Mexican Stock Market under the ticker symbol "AC". For further information about Arca Continental, please visit www.arcacontal.com

This material may contain forward-looking statements regarding Arca Continental and its subsidiaries based on management's expectations. This information as well as statements regarding future events and expectations is subject to risks and uncertainties, as well as factors that could cause the results, performance and achievements of the Company to differ at any time. Such factors include changes in the general economic, political, governmental and commercial conditions both domestically and globally, as well as variations in interest rates, inflation rates, exchange rate volatility, tax rates, the demand for and the price of carbonated beverages, water, and the price of sugar and other raw materials used in the production of sparkling beverages, weather conditions and various others. As a result of these risks and factors, actual results could be materially different from the estimates provided; therefore, Arca Continental does not accept responsibility for any variations or for the information provided by official sources.



Arca Continental, S.A.B. de C.V. and Subsidiaries

Consolidated Balance Sheet

(millions of Mexican pesos)

	September 30	December 31	Variation	
	2019	2018	MM MXP	%
ASSETS				
Cash and cash equivalents	21,020	15,941	5,079	31.9
Accounts receivable; Net	11,600	13,336	-1,736	-13.0
Inventories	8,045	7,798	247	3.2
Prepayments	668	493	175	35.5
Total Current Assets	41,334	37,568	3,766	10.0
Investments in shares and other investments	7,271	6,970	302	4.3
Property, plant and other equipment	73,411	74,079	-668	-0.9
Assets right of use	1,248	0	1,248	
Other non current assets	119,087	119,264	-177	-0.1
Total Assets	242,350	237,879	4,471	1.9
LIABILITIES				
Short term bank loans	3,502	2,672	830	31.1
Suppliers	17,459	16,291	1,168	7.2
Short term lease	277	0		
Accounts payable and taxes	3,134	4,864	-1,730	-35.6
Total Current Liabilities	24,372	23,827	545	2.3
Bank Loans and long term liabilities	51,581	53,155	-1,574	-3.0
Long term lease	968	0	968	
Deferred income tax and others	21,595	21,368	227	1.1
Total Liabilities	98,516	98,350	166	0.2
SHAREHOLDER'S EQUITY				
Non controlled participation	28,968	27,727	1,241	4.5
Capital Stock	45,727	45,752	-25	-0.1
Retained Earnings	61,888	57,347	4,541	7.9
Net Profit	7,252	8,703	-1,451	-16.7
Total Shareholders' Equity	143,834	139,530	4,305	3.1
Total Liabilities and Shareholders' Equity	242,350	237,879	4,471	1.9



Arca Continental, S.A.B. de C.V. and Subsidiaries
Consolidated Income Statement
(millions of Mexican pesos)

	3Q19		3Q18		Variation		Jan-Sep'19		Jan-Sep'18		Variation	
	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%
Net Sales	42,415		39,746		2,669	6.7	121,319		116,197		5,122	4.4
Cost of Sales	23,306		22,043		1,263	5.7	67,168		64,114		3,055	4.8
Gross Profit	19,109		17,703		1,406	7.9	54,150		52,083		2,067	4.0
	45.1%		44.5%				44.6%		44.8%			
Selling Expenses	11,295		10,707		589	5.5	32,615		31,888		727	2.3
Administrative Expenses	2,096		1,970		126	6.4	6,191		5,867		324	5.5
Total Costs	13,391		12,676		715	5.6	38,806		37,755		1,052	2.8
	31.6%		31.9%				32.0%		32.5%			
Non Recurring Expenses	283		91		192	211.6	660		444		216	48.6
Operating Income before other income	5,434		4,936		499	10.1	14,684		13,884		800	5.8
Other Income (Expenses) ^{1,2}	93		233		-140	-60.1	449		574		-126	-21.9
Operating Income	5,527		5,169		359	6.9	15,133		14,459		674	4.7
	13.0%		13.0%				12.5%		12.4%			
Interest Expense Net	-882		-930		48	-5.1	-2,694		-2,709		15	-0.5
Exchange Gain (Loss)	34		-272		306	-112.4	-44		-765		720	-94.2
Monetary position result	139		0		139		114		0		114	
Comprehensive Financial Results	-709		-1,202		492	-41.0	-2,624		-3,473		849	-24.4
Share of net income of associates ³	-18		84		-102		26		74		-49	-65.3
Earnings Before Taxes	4,800		4,051		749	18.5	12,534		11,060		1,475	13.3
Profit Taxes	1,459		1,133		326	28.8	3,623		3,165		458	14.5
Non-controlling interest	-609		-552		-57	10.3	-1,659		-1,523		-136	8.9
Net Profit	2,733		2,366		367	15.5	7,252		6,372		880	13.8
	6.4%		6.0%				6.0%		5.5%			
Depreciation and amortization	2,213		1,944		269	13.9	6,595		5,753		842	14.6
EBITDA	8,024		7,203		821	11.4	22,387		20,656		1,731	8.4
EBITDA / Net Sales	18.9%		18.1%				18.5%		17.8%			

EBITDA = Operating Income + Depreciation and Amortization + Non Recurring Expenses

¹ Includes equity method from our participation in operational companies like Jugos del Valle, IEQSA and Bebidas Refrescantes de Nogales

² Includes net effect from Revenues outside the territory (OT) in USA

³ Includes equity method from our participation in non-operational companies like PIASA, PetStar, Beta San Miguel, among others



Arca Continental, S.A.B. de C.V. and Subsidiaries

Cash Flow Statement

(millions of Mexican pesos)

	as of September 30	
	2019	2018
Earnings Before Taxes	12,534	11,060
Depreciation and amortization	6,595	5,753
Gain on sale and fixed assets impairment	308	368
Foreign exchange	-70	765
Accrued interests	2,694	2,709
Operating cash flow before taxes	22,062	20,654
Cashflow generated/used in the operation	-1,939	-5,983
Operating cashflow after working capital	20,122	14,671
Investment Activities:		
Capital Expenditures and Investments (Net)	-6,974	-16,379
Financing Activities:		
Dividends paid	-4,058	-3,948
Share repurchase program	103	-292
Debt amortization	-836	1,764
Paid interests	-3,091	-3,563
Net cash flow	-7,882	-6,040
Net increase of cash and equivalents	5,267	-7,748
Change in Cash	-187	-831
Initial cash and equivalents balance	15,941	23,842
Final cash and equivalents balance	21,020	15,262



Additional Financial Information

Information by Segments 3Q19

	Beverage Segments					Other	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*		
Volume by Segment	348.0	117.4	60.9	26.5	34.4			587.3
Sales by Segment	18,068	14,537	3,587	870	3,010	2,815	-472	42,415
Intersegment Sales	-293	0	-29	0	0	-150	472	-0
Net Sales from intersegments	17,775	14,537	3,557	870	3,010	2,665	0	42,415
Operating Income	3,763	1,176	211	70	258	49	0	5,527
EBITDA	4,492	1,908	664	155	540	264	0	8,024
EBITDA / Net Sales	25.3%	13.1%	18.7%	17.9%	17.9%	9.9%		18.9%
Non Recurring Expenses	13	138	78	2	24	28	0	283
Depreciation and amortization	716	594	375	84	258	187	0	2,213
Financial Income	728	41	135	150	5	-1	0	1,058
Financial Expenses	1,122	174	391	31	38	11	0	1,767
Share of net income of associates	-18	0	0	0	0	0	0	-18
Earnings Before Taxes	3,351	1,043	-45	189	225	37	0	4,800
Total Assets	72,389	98,131	44,572	7,365	15,070	13,159	-8,337	242,350
Investment in associates companies	6,506	477	0	288	0	0	0	7,271
Total Liabilities	42,637	34,321	17,246	1,397	5,536	4,110	-6,731	98,516
CAPEX	2,614	3,084	701	421	501	235	0	7,555

*Others includes Food & Snacks Division, Vending and other subsidiaries not related to Beverage segments

Information by Segments Jan-Sep'19

	Beverage Segments					Other	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*		
Volume by Segment	956.9	331.2	205.9	79.7	105.3	0.0	0.0	1,679.0
Sales by Segment	48,970	40,711	12,039	3,906	8,917	8,110	-1,335	121,319
Intersegment Sales	-810	0	-111	0	0	-414	1,335	0
Net Sales from intersegments	48,160	40,711	11,928	3,906	8,917	7,696	0	121,319
Operating Income	9,475	3,122	1,407	258	797	74	0	15,133
EBITDA	11,635	5,180	2,599	630	1,628	714	0	22,387
EBITDA / Net Sales	24.2%	12.7%	21.8%	16.1%	18.3%	9.3%		18.5%
Non Recurring Expenses	63	344	98	5	73	77	0	660
Depreciation and amortization	2,097	1,714	1,094	368	758	563	0	6,595
Financial Income	1,611	93	178	194	14	10	0	2,101
Financial Expenses	3,260	502	701	104	124	33	0	4,725
Share of net income of associates	26	0	0	0	0	0	0	26
Earnings Before Taxes	7,852	2,713	884	347	687	51	0	12,534
Total Assets	72,389	98,131	44,572	7,365	15,070	13,159	-8,337	242,350
Investment in associates companies	6,506	477	0	288	0	0	0	7,271
Total Liabilities	42,637	34,321	17,246	1,397	5,536	4,110	-6,731	98,516
CAPEX	2,614	3,084	701	421	501	235	0	7,555

*Others includes Food & Snacks Division, Vending and other subsidiaries not related to Beverage segments



Total Debt AC

	2019	2020	2021	2022	2023	2024	2025	2026	2027	...	2029	...	2032	Total
Debt Maturity Profile	590	6,857	6,752	5,677	5,858	3,336	1,484	2,320	6,369		7,920		7,920	55,083
% of Total	1.1%	12.4%	12.3%	10.3%	10.6%	6.1%	2.7%	4.2%	11.6%		14.4%		14.4%	100.0%

Credit Rating	Local	Global	Outlook
Fitch	AAA(mex)	A	Stable
Moody's	Aaa.mx	A2	Stable
S&P	mxAAA	-	Stable

Average exchange rate

	3Q19	3Q18	YoY
MXN	19.53	19.00	2.8%
PEN	5.84	5.78	1.1%
ARS	0.39	0.59	-33.7%

	Jan-Sep'19	Jan-Sep'18	YoY
MXN	19.32	19.01	1.6%
PEN	5.80	5.83	-0.5%
ARS	0.44	0.79	-44.4%

End of period exchange rate

	3Q19	2Q19	3Q18
MXN	19.68	19.17	18.81
PEN	5.84	5.83	5.70
ARS	0.34	0.45	0.46

Note: The information in these tables is available for download in MS Excel format at the following link:
<http://www.arcacontal.com/investors/financial-reports.aspx>

