

EARNINGS RELEASE

EBITDA GREW 7.3% WITH NET SALES UP 4.1% IN 2Q19

Monterrey, Mexico, July 19, 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 second quarter and first half of 2019 (“2Q19” and “6M19”).

Table 1: Financial Highlights

DATA IN MILLIONS OF MEXICAN PESOS						
	2Q19	2Q18	Variation %	Jan-Jun'19	Jan-Jun'18	Variation %
Total Beverage Volume (MUC)	580.6	581.0	-0.1	1,091.8	1,102.1	-0.9
Net Sales	41,982	40,332	4.1	78,903	76,450	3.2
EBITDA	8,091	7,540	7.3	14,363	13,453	6.8
Net Income	2,818	2,678	5.2	4,519	4,005	12.8

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

2Q19 HIGHLIGHTS

- Net Sales increased 4.1% when compared to 2Q18, to Ps. 41,982 million.
- EBITDA reached Ps. 8,091 million with a margin of 19.3%, an increase of 7.3% when compared to 2Q18.
- Net Income was Ps. 2,818 million, an increase of 5.2% for a margin of 6.7%

6M19 HIGHLIGHTS

- Net Sales increased 3.2% to Ps. 78,903 million.
- EBITDA reached Ps. 14,363 million, 6.8% higher than 6M18 and representing a margin of 18.2%.
- Net Income grew 12.8% to Ps. 4,519 million for a margin of 5.7%

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“The constant drive in the various commercial initiatives aimed at perfecting our market service, helped us increase our top line by 4.1%. This, in addition to the proper execution of our efficiency plans, was also reflected in 7.3% EBITDA growth, and an expansion of our EBITDA margin for the second consecutive quarter”, stated Arturo Gutiérrez, Chief Executive Officer of Arca Continental.

“With the goal of continuing to recover the growth dynamic in our sales and strengthening the creation of value for our investors, in the second half of the year we will keep deploying our digital initiatives at the point of sale, improving execution and increasing our product and service offering for our customers and consumers, while maintaining strict controls 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

	2Q19	2Q18	Variation %	Jan-Jun'19	Jan-Jun'18	Variation %
Volume by category (MUC)						
Colas	296.1	297.8	-0.6	554.1	561.4	-1.3
Flavors	110.3	112.5	-1.9	215.8	223.9	-3.6
Sparkling Total Volume	406.4	410.3	-1.0	769.8	785.4	-2.0
Water*	64.2	64.4	-0.3	119.1	121.0	-1.5
Still Beverages**	47.1	46.2	2.0	87.4	86.0	1.7
Volume excluding Jug	517.7	520.9	-0.6	976.4	992.3	-1.6
Jug	62.9	60.1	4.7	115.4	109.7	5.1
Total Volume	580.6	581.0	-0.1	1,091.8	1,102.1	-0.9
Income Statement (MM MXP)						
Net Sales***	41,982	40,332	4.1	78,903	76,450	3.2
EBITDA	8,091	7,540	7.3	14,363	13,453	6.8

* 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. 41,982 million in 2Q19, an increase of 4.1% (4.4% on a currency neutral basis). This figure reached Ps. 78,903 million in the first half of 2019, up 3.2% (2.9% currency-neutral basis) compared to last year.
- Volume for 2Q19 totaled 517.7 MUC, slightly lower than 2Q18 (excluding jug water). Still beverages increased 2.0%, while sparkling beverages decreased 1.0%.
- Cost of sales during 2Q19 rose 4.8% to Ps. 23,200 million, largely due to sales mix change between distributed versus produced products in the US, and higher concentrate prices.
- Consolidated gross profit increased to Ps. 18,782 million, 3.2% above 2Q18, reaching a gross margin of 44.7%. In 6M19 gross profit reached Ps. 35,041 million to reach a gross margin of 44.4%, 60 bps below 6M18.



- Selling and administrative expenses increased 1.9%, from Ps. 12,882 million in 2Q18 to Ps. 13,131 million in 2Q19. For the first half of the year this figure reached Ps. 25,415 million, an increase of 1.3%, representing 32.2% of revenues, 60 basis points lower than the previous year, resulting from specific savings plans for each of our operations.
- Regarding changes resulting from the application of IFRS 16, the effects on the 2Q19 results were depreciation expense of Ps. 104 million and financial expenses of Ps. 19 million. As of June 2019, the effects on depreciation expenses and financial expenses were Ps. 209 million and Ps. 43 million, respectively.
- In 2Q19, consolidated operating income reached Ps. 5,710 million, an increase of 4.8% compared to 2Q18, and representing a margin of 13.6%. For the first half of the year this figure increased 3.4% to Ps. 9,605 million for an operating margin of 12.2%.
- During 2Q19, consolidated EBITDA increased 7.3% to Ps. 8,091 million, representing a margin of 19.3%, up 60 basis points. For the first half of 2019 this figure reached Ps. 14,363 million, an increase of 6.8% and an 18.2% margin. On a currency-neutral basis EBITDA grew 7.6% in 2Q19 and 6.6% in 6M19. The benefit to EBITDA from the application of IFRS 16 this quarter reached Ps. 123 million; excluding this effect, the increase would have been 5.7% with a margin of 19%.
- The comprehensive financing result for 2Q19 was Ps. 925 million, up 8.2% compared to Ps. 855 million in 2Q18 mainly due to a foreign exchange loss of Ps. 40 million.
- In 2Q19, the income tax provision reflects an effective tax rate of 26.9% for an amount of Ps. 1,287 million, 1.8% lower than 2Q18. Year-to-date in June the effective tax rate was 28.0%, 100 basis points below 2018.
- Net income was Ps. 2,818 million in 2Q18 reflecting a margin of 6.7%; for 6M19 this figure reached Ps. 4,519 million, up 12.8%.

BALANCE SHEET & CASH FLOW STATEMENT

- As of June 30, 2019, the cash balance was Ps. 16,047 million and debt was Ps. 54,632 million, for a net debt position of Ps. 38,585 million. The Net Debt/EBITDA ratio, excluding the effects of applying IFRS 16, was 1.37x.
- Net operating cash flow reached Ps. 11,524 million in 2Q19.
- CAPEX for the period totaled Ps. 4,931 million, mainly allocated towards continuing to strengthen our market execution capabilities, develop distribution, production. Of these, 35% going towards Mexico and 40% towards projects in the U.S to capture synergies, mainly construction of our new plant in Houston.



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

	2Q19	2Q18	Variation %	Jan-Jun'19	Jan-Jun'18	Variation %
Volume by Category (MUC)						
Colas	189.5	193.6	-2.1	345.9	351.8	-1.7
Flavors	39.4	38.4	2.5	68.7	69.1	-0.7
Sparkling Total Volume	228.9	232.0	-1.3	414.6	420.9	-1.5
Water*	32.4	30.2	7.1	50.7	50.8	-0.3
Still Beverages**	18.7	17.9	4.3	34.4	32.6	5.4
Volume excluding jug	280.0	280.2	-0.1	499.7	504.4	-0.9
Jug	60.3	57.5	5.0	109.2	103.7	5.2
Total Volume	340.3	337.6	0.8	608.9	608.1	0.1
Mix (%)						
Returnable	31.2	31.4	-0.3	31.5	31.3	0.2
Non Returnable	68.8	68.6	0.3	68.5	68.7	-0.2
Multi-serve	53.4	52.7	0.6	53.4	52.8	0.7
Single-serve	46.6	47.3	-0.6	46.6	47.2	-0.7
Income Statement (MM MXP)						
Net Sales	18,054	16,727	7.9	32,330	30,096	7.4
EBITDA	4,493	4,133	8.7	7,341	6,808	7.8

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

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



OPERATING RESULTS FOR MEXICO

- Net sales for Mexico reached Ps. 18,054 million in 2Q19, an increase of 7.9%. Sales volume was in line with last quarter at 280 MUC (excluding jug water). The average price per unit case, excluding jug water, increased 8.0% to Ps. 61.09 in 2Q19.
- EBITDA for Mexico rose 8.7% to Ps. 4,493 million, representing a margin of 24.9%, expanding 20 basis points versus 2Q18.
- In the quarter we were able to keep our market share mainly due to the growth in juices, teas and emerging beverages categories as a result of a coverage expansion plan and promotions carried out mainly in the convenience store channel.
- The convenience store channel posted the highest growth in the quarter in terms of volume, mainly driven by the single-serve and sparkling water categories which grew at double-digits, while flavors grew in the mid-single-digits.
- As part of the innovation of our portfolio, during the quarter we launched the new Coca-Cola Café in an attractive package of 235 ml. in convenience stores. Beginning next quarter it will be available in the traditional and supermarket channels.
- During 2Q19 we continued the innovation of the Del Valle and Nada brand portfolio by launching two new packages: Orange-Mango 600 ml and Lemon-Cucumber 1.5 L. As a result we were able to increase sales of this category during the quarter and we will continue boosting this segment through innovations and dynamic execution.
- In Santa Clara, we achieved 45% coverage in the traditional channel. Sales volume for white and flavored milk increased 21%, the second highest increase since the brand's launch. Additionally, during the year we introduced 2,700 Santa Clara coolers, reaching 15 thousand total units of the brand.
- In 2Q19, the Direct-to-Home channel maintained its positive trend with double-digit volume and revenue growth as a result of our segmentation activities, price-pack strategy and fundamentals portfolio definition.
- During the quarter we launched ISOLITE, a beverage specially formulated for rehydration with electrolytes, coconut water and natural extracts. This beverage will allow us to compete in a new category to continue offering options for the different life-styles and needs of our consumers.
- Vending in Mexico posted mid-single-digit revenue growth and a low-single digit EBITDA growth as a result of the commercial strategy focused on capturing market value with pricing updates, which allowed it to increase its marginal contribution.
- During 2Q19, Bokados opened a new distribution center in Toluca, Mexico as part of its business expansion strategy plan. This center adds its facilities to similar centers in Pachuca, Morelia and Puerto Vallarta that were opened during the first half of 2019. With this initiative we seek to continue escalating the food and snacks division, expanding our reach to more customers and consumers.



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

	2Q19	2Q18	Variation %	Jan-Jun'19	Jan-Jun'18	Variation %
Volume by Category (MUC)						
Colas	52.2	51.8	0.8	97.0	98.8	-1.9
Flavors	28.8	29.4	-1.9	54.0	56.1	-3.6
Sparkling Total Volume	81.0	81.2	-0.2	151.0	154.9	-2.5
Water*	15.1	17.5	-13.5	28.7	31.6	-9.3
Still Beverages**	19.3	19.4	-0.5	34.0	34.3	-0.7
Total Volume	115.5	118.1	-2.2	213.7	220.8	-3.2
Mix (%)						
Multi-serve	63.2	63.2	0.0	63.8	63.9	-0.1
Single-serve	36.8	36.8	0.0	36.2	36.1	0.1
Income Statement (MM MXP)						
Net Sales***	15,261	14,678	4.0	28,441	27,316	4.1
EBITDA	1,996	1,908	4.6	3,338	3,050	9.4

* 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

OPERATING RESULTS FOR THE U.S.

- Total revenues in the U.S. reached Ps. 15,261 million in 2Q19, up 4.0% when compared to 2Q18, mainly as a result of our pricing initiatives for the beverage business, with 7.2% growth in the quarter. Volume came in at 115.5 MUC, 2.2% lower than 2Q18.
- During 2Q19, EBITDA for the region reached Ps. 1,996 million, representing a margin of 13.1%, an expansion of 10 basis points.
- The strategy implemented in the sports drink category with the launching of Bodyarmor and the increase in coverage, together with Powerade, which enabled us to increase market share in this category by 4 percentage points versus last year.
- Also in the quarter, we launched Smartwater Antioxidant and Alkaline in 1-liter, reaching over 60% coverage in large stores and 50% in small stores. This expanded our offering in the growing Premium Water segment seeking to capture new consumers.
- As winners of the Market Street Challenge in 2018 for outstanding execution in North America, we had the opportunity to compete for the Candler Cup, the highest recognition across the global Coca-Cola system for excellence in execution. CCSWB won the Candler Cup, and was named the best bottler in the entire system, highlighting our constant commitment to executional excellence.
- CCSWB continues to lead in expansion and usage of myCoke.com, our customer facing B2B order generating platform. In the first half of 2019, we have grown our registered outlet base by 25% and



improved our monthly active users by 22%. We consistently see that customers using this platform outperform their counterparts who use other ordering methods.

- Fundamentals continue to be a pillar of our execution strategy, delivering results that allow us to better serve our customers and, at the same time, generate savings in operating expenses. In the second quarter, we improved indicators such as customer visits and increased the number of orders. This means that we are being more efficient in visiting more points of sale, receiving more orders and improving our execution.
- Construction at Northpoint plant in Houston continues targeting a Q1 2020 opening. We are now starting to install equipment such as tanks, water treatment, transformers and cooling towers. Construction of the ancillary buildings began in June, with the cold drink equipment and fleet services walls going up.
- In the Food and Snacks division in the U.S., sales rose low single-digit while EBITDA expanded 150 basis points. Investments in this business have been focused mainly on product innovation, brand value strengthening and expansion of distribution capacity to new channels and territories.



South America

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

TABLE 4: SOUTH AMERICA DATA

	2Q19	2Q18	Variation %	Jan-Jun'19	Jan-Jun'18	Variation %
Volume by Category (MUC)						
Colas	54.4	52.5	3.7	111.2	110.9	0.3
Flavors	42.1	44.6	-5.7	93.0	98.7	-5.7
Sparkling Total Volume	96.5	97.1	-0.6	204.3	209.6	-2.5
Water*	16.7	16.7	0.1	39.8	38.6	3.1
Still Beverages**	9.0	8.8	2.5	19.0	19.1	-0.5
Volume excluding jug	122.2	122.6	-0.3	263.0	267.2	-1.6
Jug	2.6	2.6	-1.8	6.2	6.0	3.6
Total Volume	124.8	125.2	-0.3	269.2	273.2	-1.5
Mix (%)						
Returnable	30.5	28.5	2.0	30.1	28.6	1.5
Non Returnable	69.5	71.5	-2.0	69.9	71.4	-1.5
Multi-serve	66.1	66.9	-0.8	66.3	67.4	-1.1
Single-serve	33.9	33.1	0.8	33.7	32.6	1.1
Income Statement (MM MXP)						
Net Sales	8,667	8,928	-2.9	18,132	19,038	-4.8
EBITDA	1,603	1,498	7.0	3,685	3,595	2.5

* 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 decreased by 2.9% to Ps. 8,667 million in 2Q19 as a result of the Argentine peso devaluation. In the first six months of 2019, net sales reached Ps. 18,132 million, down 4.8% when compared to 6M18.
- In 2Q19, total sales volume for South America decreased 0.3% to 124.8 MUC, mainly impacted by the volume decline in Argentina, which was partially offset by increases in Peru and Ecuador. In 6M19 volume for the region was down 1.5%.
- EBITDA for South America increased 7.0% in 2Q19 to Ps. 1,603 million, reflecting a margin of 18.5%, representing an expansion of 170 basis points when compared to 2Q18. EBITDA for 6M19 reached Ps. 3,685 million, up 2.5% and a margin of 20.3%, 140 additional basis points when compared to 6M18.



Peru

- Sales volume grew 3.3% in 2Q19, mainly driven by the colas category as a result of investments in the development of returnable packages and in low and no calorie products. In the first half of 2019 total volume grew 4.5% when compared to 2018.
- We continued to focus on the change of distribution model, incorporating a greater number of direct routes, boosting growth in the entire product portfolio and improving our customer service. At the end of the second quarter, around 40% are direct routes.
- During the quarter we managed to maintain our value share mainly due to the isotonic and nectar categories. This was achieved through the increase in Powerade coverage and the launching of a new Frugos Fresh package.
- As part of our execution plan in the market, during 2Q19 we installed more than 7,000 coolers and introduced over 400,000 cases of returnable packages.
- During 2Q19, our Vending business in Peru posted positive results with a mid-single-digit increase in revenue and EBITDA and volume growth in the low single digits. This was due to our constant innovation in the business; in Lima, we installed a new cashless payment system in order to be at the forefront of new technology and maintain our market leadership.

Ecuador

- Ecuador posted 1.0% volume growth in 2Q19 from the solid performances in stills, water and colas categories. In the first half of 2019, sales volume declined 1.8% compared to last year.
- The flavors segment experienced a negative impact on volume; therefore, a new strategy was implemented, focusing on four fundamental pillars: Portfolio, Consumer, Availability and Affordability. This plan seeks to have the right product portfolio, adapt to the needs of consumers by improving taste, increasing availability and maintaining competitive prices to assure affordability.
- During 2Q19, Inalecsa posted low single-digit growth in volume and EBITDA. Volume was driven mainly by exports and new launches such as Nachos Chile Lime and Saritas Picantes in the potato chip category and Mis Gansitos filled with *manjar* (Ecuadorian caramel). In the snack cakes category. EBITDA grew due to the optimization of costs and expenses, as well as various initiatives carried out through operating discipline.
- Tonicorp posted mid-single-digit revenue growth, as a result of growth in the main categories such as yogurt, ice cream, flavored milk, oatmeal and gelatin. In addition, we continued working on our pricing strategy focused mainly on maintaining affordability in the ice cream category.

Argentina

- Sales volume decreased 10.6% in 2Q19, mainly due to the decline in consumer purchasing power as a result of high inflation, however in June we ended with low single-digit growth. In the first half of 2019 sales volume decreased 14.5%.
- In the quarter, we grew value share in all categories, mainly in the single serve water and stills categories, thanks to an improved performance in market execution.



- During 2Q19, we increased total value share, with sparkling and still beverages being the categories with the highest growth rates. This growth was mainly supported by the 2019 America Cup soccer event in Brazil, boosting our Coca-Cola and Coca-Cola Without Sugar brands.
- We continued volume expansion plan in interior territories previously served by distributors. We have been able to grow volume in these provinces almost 8% as a result of this initiative.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on July 19, 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)

	June 30 2019	December 31 2018	Variation	
			MM MXP	%
ASSETS				
Cash and cash equivalents	16,047	15,941	106	0.7
Accounts receivable; Net	12,461	13,336	-874	-6.6
Inventories	7,502	7,798	-296	-3.8
Prepayments	782	493	289	58.6
Total Current Assets	36,793	37,568	-775	-2.1
Investments in shares and other investments	7,027	6,970	57	0.8
Property, plant and other equipment	72,368	74,079	-1,710	-2.3
Assets right of use	1,306	0	1,306	
Other non current assets	117,954	119,264	-1,310	-1.1
Total Assets	235,447	237,879	-2,432	-1.0
LIABILITIES				
Short term bank loans	4,509	2,672	1,837	68.8
Suppliers	16,487	16,291	196	1.2
Short term lease	266	0		
Accounts payable and taxes	2,593	4,864	-2,271	-46.7
Total Current Liabilities	23,856	23,827	29	0.1
Bank Loans and long term liabilities	50,124	53,155	-3,031	-5.7
Long term lease	1,047	0	1,047	
Deferred income tax and others	20,904	21,368	-464	-2.2
Total Liabilities	95,931	98,350	-2,419	-2.5
SHAREHOLDER'S EQUITY				
Non controlled participation	28,209	27,727	482	1.7
Capital Stock	45,732	45,752	-20	0.0
Retained Earnings	61,056	57,347	3,709	6.5
Net Profit	4,519	8,703	-4,184	-48.1
Total Shareholders' Equity	139,516	139,530	-13	0.0
Total Liabilities and Shareholders' Equity	235,447	237,879	-2,432	-1.0



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

	2Q19		2Q18		Variation		Jan-Jun'19		Jan-Jun'18		Variation	
					MM MXP	%			MM MXP	%	MM MXP	%
Net Sales	41,982	40,332			1,650	4.1	78,903	76,450			2,453	3.2
Cost of Sales	23,200	22,130			1,070	4.8	43,862	42,070			1,792	4.3
Gross Profit	18,782	18,202			580	3.2	35,041	34,380			661	1.9
	44.7%	45.1%					44.4%	45.0%				
Selling Expenses	11,087	10,931			155	1.4	21,320	21,181			139	0.7
Administrative Expenses	2,044	1,951			93	4.8	4,096	3,898			198	5.1
Total Costs	13,131	12,882			249	1.9	25,415	25,079			337	1.3
	31.3%	31.9%					32.2%	32.8%				
Non Recurring Expenses	162	142			20	14.4	376	353			23	6.6
Operating Income before other income	5,489	5,178			311	6.0	9,250	8,949			301	3.4
Other Income (Expenses) ^{1,2}	221	271			-50	-18.5	356	342			14	4.2
Operating Income	5,710	5,449			261	4.8	9,605	9,290			315	3.4
	13.6%	13.5%					12.2%	12.2%				
Interest Expense Net	-917	-955			37	-3.9	-1,812	-1,779			-33	1.8
Exchange Gain (Loss)	-40	99			-139	-140.0	-78	-492			414	-84.1
Monetary position result	32	0			32		-25	0			-25	
Comprehensive Financial Results	-925	-855			-70	8.2	-1,915	-2,272			357	-15.7
Share of net income of associates ³	4	0			5		43	-10			54	-527.5
Earnings Before Taxes	4,789	4,593			196	4.3	7,734	7,008			726	10.4
Profit Taxes	1,287	1,310			-23	-1.8	2,165	2,032			133	6.5
Non-controlling interest	-685	-605			-79	13.1	-1,051	-971			-80	8.2
Net Profit	2,818	2,678			140	5.2	4,519	4,005			514	12.8
	6.7%	6.6%					5.7%	5.2%				
Depreciation and amortization	2,219	1,949			270	13.9	4,382	3,809			572	15.0
EBITDA	8,091	7,540			552	7.3	14,363	13,453			911	6.8
EBITDA / Net Sales	19.3%	18.7%					18.2%	17.6%				

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 June 30	
	2019	2018
Earnings Before Taxes	7,734	7,008
Depreciation and amortization	4,382	3,809
Gain on sale and fixed assets impairment	170	297
Foreign exchange	103	492
Accrued interests	1,812	1,637
Operating cash flow before taxes	14,200	13,245
Cashflow generated/used in the operation	-2,676	-4,734
Operating cashflow after working capital	11,524	8,511
Investment Activities:		
Capital Expenditures and Investments (Net)	-4,452	-4,546
Financing Activities:		
Dividends paid	-4,058	-3,948
Share repurchase program	114	-270
Debt amortization	-406	1,510
Paid interests	-2,272	-1,631
Net cash flow	-6,622	-4,339
Net increase of cash and equivalents	450	-375
Change in Cash	-344	-218
Initial cash and equivalents balance	15,941	23,842
Final cash and equivalents balance	16,047	23,248



Additional Financial Information

Information by Segments 2Q19

	Beverage Segments					Other	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*		
Volume by Segment	340.3	115.5	64.2	25.0	35.7			580.6
Sales by Segment	17,324	14,094	3,706	1,580	2,999	2,742	-464	41,982
Intersegment Sales	-281	0	-41	0	0	-141	464	0
Net Sales from intersegments	17,043	14,094	3,665	1,580	2,999	2,601	0	41,982
Operating Income	3,659	1,341	363	60	278	8	0	5,710
EBITDA	4,393	1,967	732	219	558	223	0	8,091
EBITDA / Net Sales	25.8%	14.0%	20.0%	13.9%	18.6%	8.6%		19.3%
Non Recurring Expenses	36	62	10	2	29	24	0	162
Depreciation and amortization	698	563	359	157	251	191	0	2,219
Financial Income	383	34	49	63	6	6	0	542
Financial Expenses	1,018	167	198	33	41	11	0	1,467
Share of net income of associates	4	0	0	0	0	0	0	4
Earnings Before Taxes	3,029	1,209	215	91	243	3	0	4,789
Total Assets	69,645	93,575	43,954	8,602	14,556	12,758	-7,643	235,447
Investment in associates companies	6,202	465	0	359	0	0	0	7,027
Total Liabilities	42,671	32,174	16,662	1,801	5,435	3,960	-6,772	95,931
CAPEX	1,716	1,911	521	334	321	128	0	4,931

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

Information by Segments Jan-Jun'19

	Beverage Segments					Other	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*		
Volume by Segment	608.8	213.7	145.0	53.2	71.0	0.0	0.0	1,091.8
Sales by Segment	30,902	26,174	8,452	3,036	5,907	5,295	-863	78,903
Intersegment Sales	-517	0	-81	0	0	-264	863	0
Net Sales from intersegments	30,385	26,174	8,371	3,036	5,907	5,031	0	78,903
Operating Income	5,713	1,945	1,196	188	539	25	0	9,605
EBITDA	7,143	3,272	1,935	475	1,089	450	0	14,363
EBITDA / Net Sales	23.5%	12.5%	23.1%	15.6%	18.4%	8.9%		18.2%
Non Recurring Expenses	50	206	20	3	49	49	0	376
Depreciation and amortization	1,381	1,121	719	284	500	377	0	4,382
Financial Income	883	53	43	44	9	12	0	1,043
Financial Expenses	2,138	328	311	73	86	22	0	2,958
Share of net income of associates	43	0	0	0	0	0	0	43
Earnings Before Taxes	4,501	1,670	929	158	462	14	0	7,734
Total Assets	69,645	93,575	43,954	8,602	14,556	12,758	-7,643	235,447
Investment in associates companies	6,202	465	0	359	0	0	0	7,027
Total Liabilities	42,671	32,174	16,662	1,801	5,435	3,960	-6,772	95,931
CAPEX	1,716	1,911	521	334	321	128	0	4,931

*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	2,098	6,768	6,646	5,617	5,814	2,153	1,475	2,313	6,354		7,697		7,697	54,633
% of Total	3.8%	12.4%	12.2%	10.3%	10.6%	3.9%	2.7%	4.2%	11.6%		14.1%		14.1%	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

	2Q19	2Q18	YoY		Jan-Jun'19	Jan-Jun'18	YoY
MXN	19.12	19.17	-0.3%	MXN	19.21	19.01	1.1%
PEN	5.74	5.88	-2.4%	PEN	5.77	5.85	-1.3%
ARS	0.44	0.83	-47.7%	ARS	0.47	0.89	-47.9%

End of period exchange rate

	2Q19	1Q19	2Q18
MXN	19.17	19.38	19.86
PEN	5.83	5.84	6.06
ARS	0.45	0.45	0.69

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>

