



ARCACONTINENTAL



EARNINGS RELEASE

EBITDA GREW 8.4% AND REVENUES INCREASED 5.0% IN 2Q23

Monterrey, Mexico, July 21, 2023 – 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 2023 (“2Q23” and “6M23”).

Table 1: Financial Highlights

DATA IN MILLIONS OF MEXICAN PESOS						
	2Q23	2Q22	Variation %	Jan-Jun'23	Jan-Jun'22	Variation %
Total Beverage Volume (MUC)	636.0	616.4	3.2	1,200.3	1,158.0	3.7
Net Sales	56,051	53,363	5.0	106,735	99,428	7.3
EBITDA	11,314	10,436	8.4	20,865	18,963	10.0
Net Income	4,693	4,222	11.1	8,423	7,316	15.1

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

2Q23 HIGHLIGHTS

- Net Sales increased 5.0% when compared to 2Q22, reaching Ps. 56,051 million.
- EBITDA grew 8.4% to Ps. 11,314 million for a margin of 20.2%.
- Net Income totaled Ps. 4,693 million, up 11.1%, reaching a margin of 8.4%.

6M23 HIGHLIGHTS

- Net Sales increased 7.3%, when compared with 6M22, to Ps. 106,735 million.
- EBITDA totaled Ps. 20,865 million, 10.0% higher than in 2Q22, for a margin of 19.5%.
- Net Income grew 15.1% to Ps. 8,423 million for a margin of 7.9%.

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“We finished the first half of the year with positive results posting increases of 7.3% in revenues and 10.0% in EBITDA. These achievements were the outcome of investments in commercial capabilities, the accelerated digitization of the value chain, as well as the efforts of our associates and their determination to deliver excellence in our operation and at the point of sale.”, stated Arturo Gutierrez, Chief Executive Officer of Arca Continental.

“At Arca Continental we share the conviction of operating a sustainable business model. We will continue investing in initiatives that generate shared value for the communities we serve, ensuring our profitable growth, and making a positive difference for people and the environment.” He added.

CONSOLIDATED RESULTS

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

TABLE 2: CONSOLIDATED DATA

	2Q23	2Q22	Variation %	Jan-Jun'23	Jan-Jun'22	Variation %
Volume by category (MUC)						
Colas	321.1	319.1	0.6	602.8	592.8	1.7
Flavors	113.7	111.8	1.7	221.6	217.8	1.7
Sparkling Total Volume	434.8	430.9	0.9	824.3	810.6	1.7
Water*	78.0	67.0	16.3	145.4	126.4	15.0
Still Beverages**	57.1	53.1	7.5	108.9	102.3	6.4
Volume excluding Jug	569.9	551.1	3.4	1,078.6	1,039.3	3.8
Jug	66.1	65.3	1.1	121.7	118.7	2.5
Total Volume	636.0	616.4	3.2	1,200.3	1,158.0	3.7
Income Statement (MM MXP)						
Net Sales***	56,051	53,363	5.0	106,735	99,428	7.3
EBITDA	11,314	10,436	8.4	20,865	18,963	10.0
EBITDA Margin	20.2%	19.6%	60 bp	19.5%	19.1%	40 bp

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

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

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

FINANCIAL ANALYSIS

INCOME STATEMENT

- Consolidated net sales in 2Q23 increased 5.0% (13.6% on a currency-neutral basis) to Ps. 56,051 million compared to 2Q22, as a result of pricing strategies and strong volumes in Mexico and South America. In the first half, net sales were Ps. 106,735 million, up 7.3% (15.6% on a currency-neutral basis) versus last year.
- Consolidated sales volume in 2Q23 grew 3.4% to 569.9 MUC, excluding jug water, mainly driven by growth in the personal water and still beverage categories, up 16.3% and 7.5%, respectively. As of June 2023, sales volume increased 3.8% to 1,078.6 MUC.
- Cost of sales in the quarter increased 1.9% stemming from better prices of raw materials, which were additionally benefited by a lower exchange rate compared to the previous year. In the first half, cost of sales increased 4.9% versus last year.



- In 2Q23, consolidated gross profit increased 9.0% to Ps. 25,796 million, reflecting a gross margin of 46.0% and an expansion of 170 basis points, mainly driven by our price-pack strategy combined with better raw material prices. In the first half of the year, gross profit totaled Ps. 48,853 million, up 10.4% and representing a gross margin of 45.8%, 130 bps above 6M22.
- Selling and administrative expenses rose 6.8% to Ps. 16,768 million in 2Q23. In the first half of 2023, this figure rose 8.2% to Ps. 32,691 million and represented a ratio of expenses to revenues of 30.6%.
- In 2Q23, consolidated operating income was Ps. 9,159 million, 12.6% higher than 2Q22, representing an operating margin of 16.3% and an increase of 110 basis points. In the first six months of 2023 operating income rose 14.7% to Ps. 16,544 million for a margin of 15.5%, up 100 bps versus 6M22.
- Consolidated EBITDA in 2Q23 increased 8.4% (15.4% on a currency-neutral basis) to Ps. 11,314 million, representing an EBITDA margin of 20.2%, 60 basis points higher than 2Q22. In the first half of 2023, EBITDA reached Ps. 20,865 million, an increase of 10.0% (17.3% on a currency-neutral basis) for a margin of 19.5%, up 40 bps versus 6M22.
- Comprehensive financing result in 2Q23 was Ps. 930 million, stemming mainly from the increase in interest rates and an exchange loss from the cash position in dollars, partially offset by higher financial income. In the first half of 2023, the comprehensive financing result rose 1.5% to Ps. 1,822 million.
- In 2Q23, income tax reached Ps. 2,579 million, 15.1% higher than 2Q22, at an effective rate of 31.2%. In the first half of 2023, income tax increased 18.2% to Ps. 4,582 million, representing an effective tax rate of 31.0%.
- Arca Continental reported net income of Ps. 4,693 million in 2Q23, 11.1% above 2Q22, reflecting a net margin of 8.4%, up 50 bps versus 2Q22. In the first six months of 2023, net income totaled Ps. 8,423 million, up 15.1% versus 6M22, for a net margin of 7.9%.

BALANCE SHEET & CASH FLOW STATEMENT

- As of June 30, 2023, the cash balance was Ps. 23,086 million and total debt was Ps. 45,984 million, for a net debt position of Ps. 22,898 million. Net Debt/EBITDA ratio was 0.55x.
- Net operating cash flow reached Ps. 14,555 million as of June 30, 2023.
- CAPEX for the period totaled Ps. 4,667 million, mainly allocated towards coolers, returnable bottles, as well as the expansion of production and distribution capacities.



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 both beverage and complementary businesses.

TABLE 3: MEXICO DATA

	2Q23	2Q22	Variation %	Jan-Jun'23	Jan-Jun'22	Variation %
Volume by Category (MUC)						
Colas	203.9	202.6	0.6	370.9	361.9	2.5
Flavors	36.4	38.8	-6.4	65.0	67.3	-3.5
Sparkling Total Volume	240.3	241.5	-0.5	435.9	429.3	1.5
Water*	41.4	36.4	13.6	72.2	63.9	13.0
Still Beverages**	22.7	20.9	8.6	41.6	39.3	5.8
Volume excluding jug	304.3	298.7	1.9	549.7	532.5	3.2
Jug	64.0	63.6	0.6	117.1	114.7	2.1
Total Volume	368.3	362.3	1.6	666.8	647.2	3.0
Mix (%)						
Returnable	28.0	29.4	-1.3	28.5	30.0	-1.5
Non Returnable	72.0	70.6	1.3	71.5	70.0	1.5
Multi-serve	56.8	55.9	0.9	56.8	56.4	0.4
Single-serve	43.2	44.1	-0.9	43.2	43.6	-0.4
Income Statement (MM MXP)						
Net Sales	26,635	23,860	11.6	48,287	42,139	14.6
EBITDA	6,568	5,795	13.3	11,288	9,764	15.6
EBITDA Margin	24.7%	24.3%	40 bp	23.4%	23.2%	20 bp

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

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

OPERATING RESULTS IN MEXICO

- Net sales in Mexico in 2Q23 increased 11.6%, reaching Ps. 26,635 million, due to selective price increases and a positive volume performance. Net sales rose 14.6% to Ps. 48,287 million year-to-date.
- Sales volume reached 304.3 MUC in the quarter, excluding jug water, driven by growth in the water and stills categories, up 13.6% and 8.6%, respectively. Average price per unit case, excluding jug, increased 9.4% to Ps. 81.31, as a result of our RGM initiatives as well as selective price adjustments.



- During 2Q23, EBITDA rose 13.3% to Ps. 6,568 million and representing a margin of 24.7%, an expansion of 40 basis points. In the first six months of 2023, EBITDA increased 15.6% to Ps. 11,288 million, representing a margin of 23.4% for an expansion of 20 bps compared to 6M22.
- In June, we achieved record sales volume for this operation, reaching 105.9 MUC for the month.
- The modern trade posted a 6.0% volume increase while gaining 0.5 percentage points in value share, due to the expansion of the dual-pack strategy, while also boosted by the strong performance of Topo Chico.
- The colas category continued its positive performance with 0.6% growth in the quarter, driven mainly by new packaging options and flavor innovations from Coca-Cola Creations.
- In 2Q23, the water category grew due to the Topo Chico which increased by 20% and accounted for 86% of the category's growth, as a result of solid execution in the traditional and modern channels with a wider package portfolio to satisfy the high consumer demand.
- The stills beverage category was mainly boosted by isotonics which grew 19%, capitalizing on opportunities with the Powerade brand in the traditional channel, as well as the launching of the Flashlyte brand in three assorted flavors.
- The on-premise channel continued its positive trend with 3.9% growth, surpassing pre-pandemic volumes; however, there is upside opportunity in channels such as leisure and at work.
- Our efforts remained focused on increasing profitability, while capturing new consumption occasions by offering an affordable portfolio and making selective price adjustments.
- Bokados, our snacks business in Mexico, posted high single-digit sales growth, mainly driven by positive performances of the traditional and modern trade. We launched new products of *Papa Molcajetada* ("seasoned potato chips") and *Chicharrón Chile Limón* ("chili lime flavored pork rinds") with the goal of capturing new consumption occasions through continuous product and flavor innovations.

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

	2Q23	2Q22	Variation %	Jan-Jun'23	Jan-Jun'22	Variation %
<i>Volume by Category (MUC)</i>						
Colas	51.7	53.7	-3.7	98.0	100.8	-2.8
Flavors	29.8	30.5	-2.3	56.7	57.7	-1.7
Sparkling Total Volume	81.5	84.2	-3.2	154.7	158.5	-2.4
Water*	15.4	14.7	4.2	26.7	26.4	1.2
Still Beverages**	18.6	19.3	-3.5	34.5	34.6	-0.2
Total Volume	115.5	118.2	-2.3	215.9	219.6	-1.6
<i>Mix (%)</i>						
Multi-serve	65.7	66.4	-0.7	65.7	67.1	-1.5
Single-serve	34.3	33.6	0.7	34.3	32.9	1.5
<i>Income Statement (MM MXP)</i>						
Net Sales***	19,658	19,942	-1.4	38,049	37,371	1.8
EBITDA	3,184	2,988	6.6	5,856	5,304	10.4
EBITDA Margin	16.2%	15.0%	120 bp	15.4%	14.2%	120 bp

* 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 IN THE U.S.

- Net sales in the U.S. in 2Q23 declined 1.4% (increasing 11.1% on local currency) to Ps. 19,658 million. Sales volume in the quarter was 115.5 MUC, down 2.3% when compared to 2Q22. In the first six months of the year, sales increased 1.8% (up 13.4% on a local currency) to Ps. 38,049 million.
- EBITDA totaled Ps. 3,184 million, an increase of 6.6% (20.1% on a currency-neutral basis) and representing an EBITDA margin of 16.2%, for an expansion of 120-basis points compared to 2Q22. In the first half of 2023, EBITDA reached Ps. 5,856 million, an increase of 10.4% (23.1% on a currency-neutral basis) for a margin of 15.4%, a 120-bps expansion.
- Net price in the second quarter rose 14.3%, with a true rate increase of 13.0% and a positive mix of 1.3%.
- In 2Q23, the convenience store and on-premise channels performed favorably with increases of 2.5% and 0.5%, respectively, while the supermarket channel registered a decline due to changes in consumer dynamics which led to a 2.7% increase in immediate consumption packages that generated higher revenue per unit case.
- During the quarter, we strengthened our market leadership position and maintained a solid value share position driven by the sparkling category.



- In 2Q23 we launched new products such as Topo Chico Flavors, Sprite Lymonade Strawberry and Bodyarmor Flash IV, the most recent launch as part of the rapid hydration segment.
- The personal water category grew 4.2% in 2Q23, driven mainly by execution at the point of sale and consumer preference for premium water brands such as Smartwater, Vitaminwater and Topo Chico. Smartwater increased 9.4% while Topo Chico grew 83.5%, which was reflected in the growth of the category's value share.
- During the quarter, through the Trade Promotion Optimization tool we focused on improving the stability and precision of promotions while applying learnings to other channels and customers.
- In 2Q23, we implemented a new Go-To-Market service model using advanced analytics tools that enabled us to enhance our potential sales model.
- During the second quarter, sales through the myCoke digital platform rose 16% compared to the previous year, which was attributed to a larger number of customers utilizing myCoke. At the close of June, 90% of eligible customers in the on-premise channel had adopted myCoke.
- Wise, our snacks business in the U.S., posted single-digit sales and EBITDA growth, due to a selective price adjustment strategy and savings plans throughout the operation which included efficiencies in back office processes and optimization of promotions.

South America

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

TABLE 4: SOUTH AMERICA DATA

	2Q23	2Q22	Variation %	Jan-Jun'23	Jan-Jun'22	Variation %
Volume by Category (MUC)						
Colas	65.4	62.8	4.2	133.9	130.0	2.9
Flavors	47.6	42.5	12.0	99.9	92.7	7.7
Sparkling Total Volume	113.0	105.2	7.4	233.7	222.8	4.9
Water*	21.3	15.9	33.8	46.5	36.1	28.7
Still Beverages**	15.8	12.9	22.2	32.7	28.4	15.5
Volume excluding jug	150.1	134.1	11.9	312.9	287.2	8.9
Jug	2.1	1.8	19.7	4.6	4.0	15.0
Total Volume	152.2	135.9	12.0	317.5	291.2	9.0
Mix (%)						
Returnable	29.7	30.5	-0.8	29.6	30.5	-0.9
Non Returnable	70.3	69.5	0.8	70.4	69.5	0.9
Multi-serve	65.7	68.3	-2.5	67.0	69.1	-2.1
Single-serve	34.3	31.7	2.5	33.0	30.9	2.1
Income Statement (MM MXP)						
Net Sales	9,758	9,562	2.0	20,400	19,919	2.4
EBITDA	1,562	1,653	-5.5	3,721	3,896	-4.5
EBITDA Margin	16.0%	17.3%	-130 bp	18.2%	19.6%	-140 bp

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

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

OPERATING RESULTS IN SOUTH AMERICA

- Net sales in the South America division reached Ps. 9,758 million in 2Q23, an increase of 2.0% due mainly to selective price increases at the three operations and significant volume growth in Ecuador and Peru. In the first half of 2023, net sales were up 2.4% to Ps. 20,400 million.
- Sales volume grew 11.9% in 2Q23 to 150.1 MUC, excluding jug water, led by the personal water and stills categories, up 33.8% and 22.2%, respectively.
- EBITDA declined of 5.5% to Ps. 1,562 million in 2Q23, reflecting a margin of 16.0%. In 6M23, EBITDA declined 4.5% to Ps. 3,721 million.



Peru

- In 2Q23, sales volume for Peru increased 17.3%, excluding jug water, due to growth in the personal water and stills categories, up 37.9% and 35.2%, respectively. Year-to-date volume rose 11.4%, excluding jug water.
- Average price rose 4.9% in the second quarter from a 7.1% true rate increase from selective price adjustments and a mix effect of 2.3%, mainly impacted by high volume of water.
- In the second quarter of 2023, Peru posted solid volumes driven by investments at the point of sale through the placement of coolers and displays, as well as providing an affordable portfolio.
- In the sparkling category, colas and flavors grew 11% and 13%, respectively, driven by brands Coca-Cola and Inca Kola, mainly brand Coca-Cola Sin Azucar which increased 58% and represented 60% of cola category growth.

Ecuador

- Sales volume increased 11.4% in Ecuador during the quarter, driven by growth across all categories, mainly from personal water and flavors, up 17.9% and 12.9%, respectively. Year-to-date volume grew 9.5%.
- The still beverage category grew 11.6% in volume during 2Q23 driven by tea, energy drinks and isotonic with double-digit growth in the traditional and modern channels.
- During the quarter, the mix of single-serve packages increased 1.3 percentage points. Growth came from all categories, mainly driven by sparkling beverages as a result of the reopening of the on-premise channel and the increased mobility in this channel.
- The traditional trade grew 9.4% compared to 2Q22 as a result of the introduction of bottles and cooler equipment, as well as securing an affordable portfolio with returnable packages.
- Inalecsa, our snacks business in Ecuador, posted high single-digit growth in sales and double-digit growth in EBITDA as a result of strategies carried out to maintain the business's profitability through selective price increases, optimization of discounts and promotions, and continuous innovation in products and flavors.
- Tonicorp reported single-digit growth in sales driven by an improved mix of single-serve packages, which grew 4.4% in the quarter, and a positive performance in high value-added categories such as flavored milk, yogurt, and ice cream.

Argentina

- During 2Q23, sales volume in Argentina rose 1.1%, mainly from growth in the supermarket and on-premise channels, up 33.4% and 12.1%, respectively. Year-to-date volume grew 3.2%.
- In the water category, Aquarius and Benedictino brands posted double-digit growth led by multi-serve packages and increased coverage.
- The favors category achieved 5.9% volume growth driven by Fanta and Crush, up 4% and 68%, respectively.
- In 2Q23, the modern channel grew 33.4% with solid improvement in supermarkets driven by increases in sparkling and personal water in multi-serve presentations. The on-premise channel grew 12%, mainly from increases in the eat and drink and leisure channels, up 13% and 20%, respectively.

ESG

- Arca Continental together with The Coca-Cola Company and other bottlers announced the creation of a new, 137.7-million-dollar venture capital fund. The fund will be managed by the firm Greycroft and will focus on projects in five key areas: packaging, heating, and cooling, decarbonization, distribution and supply chain.
- To continue strengthening the circular packaging strategy and create a World Without Waste, together with The Coca-Cola Company and PetStar, Arca Continental tripled its recycling capacity in the state of Nuevo Leon. With an investment of USD \$3 million, PetStar expanded its PET collection capacity from 6 thousand to over 18 thousand tons per year.
- For the seventh consecutive year, Arca Continental was ratified as a constituent in the FTSE4Good Index Series of the London Stock Exchange. Being included in this index indicates that the company has demonstrated a solid performance and commitment to ESG practices. This recognition is in addition to the ratification of Dow Jones Sustainability Indices and our inclusion in the Sustainability Yearbook published by Standard & Poor's.



RECENT EVENTS

- On July 11, 2023, Fitch Ratings ratified credit ratings of Arca Continental and AC Bebidas, both on the global and national scales. Fitch affirmed the “A” rating for long-term debt on a global scale for AC and ACBE, and the “AAA(mex)” rating on a national scale with a stable outlook.
- On April 17, 2023, Arca Continental paid a cash dividend of \$3.50 pesos per share, approved by the General Shareholders’ Meeting of Arca Continental on March 30, 2023. This dividend represents a payout ratio of 39%.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call to discuss these results on July 21, 2023 at 9:00 am Mexico/Monterrey time, 11:00 am New York time. A live webcast of this event will be available at www.arcacontal.com or via telephone using the following numbers:

To participate, please dial:
+1-800-225-9448 (U.S. participants)
+1-203-518-9765 (International participants)
Passcode: 36151

About Arca Continental

Arca Continental produces, distributes, and markets beverages under The Coca-Cola Company brand, as well as snacks under the Bokados brand in Mexico, Inalecsa in Ecuador, and Wise and Deep River in the United States. With an outstanding history spanning more than 97 years, Arca Continental is the second-largest Coca-Cola bottler in Latin America, and one of the largest in the world. Through its Coca-Cola franchise, the company serves more than 128 million people in the Northern and Western regions in Mexico, as well as in Ecuador, Peru, in the Northern region of Argentina, and in the Southwestern United States. Arca Continental is listed on the Mexican Stock Exchange under the ticker “AC”. For more 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 Income Statement
(millions of Mexican pesos)

	2Q23		2Q22		Variation		Jan-Jun'23		Jan-Jun'22		Variation	
	MM	MXP	MM	MXP	MM	%	MM	MXP	MM	MXP	MM	%
Net Sales	56,051	53,363			2,688	5.0	106,735	99,428	7,307	7.3		
Cost of Sales	30,255	29,701	554	1.9	57,882	55,157	2,725	4.9				
Gross Profit	25,796	23,663	2,133	9.0	48,853	44,271	4,582	10.4				
	46.0%	44.3%			45.8%	44.5%						
Selling Expenses	14,309	13,420	889	6.6	27,862	25,695	2,166	8.4				
Administrative Expenses	2,459	2,276	183	8.0	4,830	4,513	316	7.0				
Total Costs	16,768	15,696	1,072	6.8	32,691	30,209	2,482	8.2				
	29.9%	29.4%			30.6%	30.4%						
Non Recurring Expenses	40	56	-16	-29.1	59	70	-11	-15.3				
Operating Income before other income	8,988	7,910	1,078	13.6	16,103	13,993	2,110	15.1				
Other Income (Expenses) ^{1,2}	171	226	-55	-24.4	441	425	16	3.7				
Operating Income	9,159	8,136	1,023	12.6	16,544	14,418	2,126	14.7				
	16.3%	15.2%			15.5%	14.5%						
Interest Expense Net	-483	-627	144	23.0	-918	-1,294	376	29.1				
Exchange Gain (Loss)	-159	30	-190	-627.3	-394	-60	-333	-551.6				
Monetary position result	-288	-279	-9	-3.1	-511	-442	-69	-15.6				
Comprehensive Financial Results	-930	-876	-54	-6.1	-1,822	-1,796	-26	-1.5				
Share of net income of associates ³	48	178	-129	-72.9	81	258	-177	-68.5				
Earnings Before Taxes	8,277	7,438	839	11.3	14,803	12,879	1,923	14.9				
Profit Taxes	-2,579	-2,239	-339	-15.1	-4,582	-3,877	-704	-18.2				
Non-controlling interest	-1,006	-976	-30	-3.1	-1,798	-1,686	-112	-6.6				
Net Profit	4,693	4,222	470	11.1	8,423	7,316	1,107	15.1				
	8.4%	7.9%			7.9%	7.4%						
Depreciation and amortization	2,116	2,244	-128	-5.7	4,262	4,476	-214	-4.8				
EBITDA	11,314	10,436	879	8.4	20,865	18,963	1,902	10.0				
EBITDA / Net Sales	20.2%	19.6%			19.5%	19.1%						

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

Consolidated Balance Sheet

(millions of Mexican pesos)

	June 30	December 31	Variation	
	23	22	MM MXP	%
ASSETS				
Cash and cash equivalents	23,086	27,761	-4,675	-16.8
Accounts receivable; Net	18,194	17,984	211	1.2
Inventories	10,959	11,643	-684	-5.9
Prepayments	1,167	950	217	22.8
Total Current Assets	53,406	58,338	-4,932	-8.5
Investments in shares and other investments	9,288	9,188	100	1.1
Property, plant and other equipment	64,925	68,317	-3,391	-5.0
Assets right of use	988	1,202	-213	-17.8
Other non current assets	110,034	119,255	-9,221	-7.7
Total Assets	238,641	256,300	-17,659	-6.9
LIABILITIES				
Short term bank loans	10,693	6,195	4,498	72.6
Suppliers	11,831	14,078	-2,247	-16.0
Short term lease	505	546	-41	-7.5
Accounts payable and taxes	22,186	21,848	338	1.5
Total Current Liabilities	45,215	42,667	2,547	6.0
Bank Loans and long term liabilities	35,291	40,722	-5,431	-13.3
Long term lease	535	715	-180	-25.2
Deferred income tax and others	23,067	24,342	-1,275	-5.2
Total Liabilities	104,108	108,446	-4,339	-4.0
SHAREHOLDER'S EQUITY				
Non controlled participation	28,797	30,229	-1,433	-4.7
Capital Stock	958	971	-13	-1.3
Retained Earnings	96,355	101,151	-4,795	-4.7
Net Profit	8,423	15,503	-7,080	-45.7
Total Shareholders' Equity	134,533	147,854	-13,321	-9.0
Total Liabilities and Shareholders' Equity	238,641	256,300	-17,659	-6.9



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

Cash Flow Statement

(millions of Mexican pesos)

	as of June 30	
	23	22
Earnings Before Taxes	14,803	12,879
Depreciation and amortization	4,262	4,476
Foreign exchange / Monetary position result	904	503
Accrued interests	918	1,294
Gain on sale and fixed assets impairment	220	-21
Operating cash flow before taxes	21,107	19,131
Cashflow generated/used in the operation	-6,552	-3,857
Operating cashflow after working capital	14,555	15,273
Investment Activities:		
Capital Expenditures and Investments (Net)	-3,442	-4,499
Financing Activities:		
Dividends paid	-6,994	-6,492
Share repurchase program	-3,869	-2,772
Debt amortization	1,277	-542
Paid interests	-2,333	-1,930
Capital increase	0	0
Other	-334	-309
Net cash flow from financing activities	-12,252	-12,045
Net increase of cash and equivalents	-1,139	-1,271
Change in Cash	-3,537	-612
Initial cash and equivalents balance	27,761	32,117
Final cash and equivalents balance	23,086	30,234



Additional Financial Information

Information by Segments 2Q23

	Beverage Segments					Other Business*	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador			
Volume by Segment	368.3	115.5	80.8	32.0	39.4			636.0
Sales by Segment	25,141	18,485	4,256	2,021	2,974	3,714	-540	56,051
Intersegment Sales	-312	0	-26	0	-2	-200	540	-0
Net Sales from intersegments	24,829	18,485	4,230	2,021	2,973	3,513	0	56,051
Operating Income	5,518	2,609	653	-86	228	236	0	9,159
EBITDA	6,343	3,058	903	99	463	447	0	11,314
EBITDA / Net Sales	25.5%	16.5%	21.3%	4.9%	15.6%	12.7%	0.0%	20.2%
Non Recurring Expenses	1	-0	-3	30	3	9	0	40
Depreciation and amortization	825	449	254	155	232	202	0	2,116
Financial Income and Expenses	-930	31	39	-10	-33	-27	0	-930
Share of net income of associates	48	0	0	0	0	0	0	48
Earnings Before Taxes	4,636	2,640	692	-96	195	210	0	8,277
Total Assets	78,358	91,414	35,160	10,943	19,097	12,201	-8,533	238,641
Investment in associates companies	8,243	613	0	432	0	0	0	9,288
Total Liabilities	54,567	31,665	10,249	1,547	4,886	5,088	-3,894	104,108
CAPEX	2,636	669	473	269	325	295	0	4,667

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

Information by Segments Jan-Jun'23

	Beverage Segments					Other Business*	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador			
Volume by Segment	666.8	215.9	167.7	72.7	77.2			1,200.3
Sales by Segment	45,276	35,729	8,756	4,694	5,956	7,320	-996	106,735
Intersegment Sales	-569	0	-44	0	-5	-379	996	-0
Net Sales from intersegments	44,707	35,729	8,712	4,694	5,951	6,942	0	106,735
Operating Income	9,254	4,756	1,490	217	490	337	0	16,544
EBITDA	10,885	5,680	1,998	577	966	760	0	20,865
EBITDA / Net Sales	24.3%	15.9%	22.9%	12.3%	16.2%	10.9%	0.0%	19.5%
Non Recurring Expenses	2	-0	4	34	4	14	0	59
Depreciation and amortization	1,629	924	503	326	472	409	0	4,262
Financial Income and Expenses	-1,768	50	42	-19	-69	-59	0	-1,822
Share of net income of associates	81	0	0	0	0	0	0	81
Earnings Before Taxes	7,567	4,806	1,532	198	421	279	0	14,803
Total Assets	78,358	91,414	35,160	10,943	19,097	12,201	-8,533	238,641
Investment in associates companies	8,243	613	0	432	0	0	0	9,288
Total Liabilities	54,567	31,665	10,249	1,547	4,886	5,088	-3,894	104,108
CAPEX	2,636	669	473	269	325	295	0	4,667

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



EARNINGS RELEASE

Total Debt AC

	2023	2024	2025	2026	2027	2028	2029	2030	Total
Debt Maturity Profile	2,870	9,707	4,105	5,168	6,325	2,997	7,981	6,831	45,984
% of Total	6.2%	21.1%	8.9%	11.2%	13.8%	6.5%	17.4%	14.9%	100.0%

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

Average exchange rate

	2Q23	2Q22	YoY
MXN	17.78	20.02	-11.2%
PEN	4.81	5.31	-9.5%
ARS	0.08	0.17	-54.5%

	Jan-Jun'23	Jan-Jun'22	YoY
MXN	18.02	20.23	-10.9%
PEN	4.82	5.36	-10.1%
ARS	0.08	0.18	-52.8%

End of period exchange rate

	2Q23	1Q23	2Q22
MXN	17.12	18.09	20.14
PEN	4.72	4.81	5.26
ARS	0.07	0.09	0.16

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>