



EARNINGS RELEASE

EBITDA GREW 6.4% WITH REVENUES UP 7.0% IN 3Q21

Monterrey, Mexico, October 28, 2021 – 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 2021 (“3Q21” and “9M21”).

Table 1: Financial Highlights

DATA IN MILLIONS OF MEXICAN PESOS						
	3Q21	3Q20	Variation %	Jan-Sep'21	Jan-Sep'20	Variation %
Total Beverage Volume (MUC)	594.2	554.7	7.1	1,686.0	1,593.7	5.8
Net Sales	47,946	44,811	7.0	134,228	126,649	6.0
EBITDA	9,198	8,642	6.4	26,279	23,514	11.8
Net Income	3,381	2,744	23.2	9,095	7,757	17.3

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

3Q21 HIGHLIGHTS

- Net Sales increased 7.0% when compared to 3Q20, to Ps. 47,946 million.
- EBITDA rose 6.4% to Ps. 9,198 million, for an EBITDA margin of 19.2%.
- Net Income grew 23.2% to Ps. 3,381 million for a net margin of 7.1%, up 100 basis points.

9M21 HIGHLIGHTS

- Net Sales reached Ps. 134,228 million, representing an increase of 6.0%.
- EBITDA rose 11.8% to Ps. 26,279 million for margin of 19.6%, an expansion of 100 basis points.
- Net Income was Ps. 9,095 million, up 17.3% and representing a net margin of 6.8%.

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“With our focus on constantly improving execution, expanding digital platforms and perfecting our price-pack strategies, for the second consecutive quarter we were able to grow our sales volume, up 7%, and increase EBITDA by 6.4%, which enabled us to sustain solid profitability levels and get closer to our goal of fully recovering to pre-pandemic consumption levels”, stated Arturo Gutiérrez, Chief Executive Officer of Arca Continental.

“Driven by the commitment of our team, in 2022 we will seek to further strengthen our operating, innovation and market service capabilities, which together with our administrative discipline, will allow us to be better positioned to face the various business challenges ahead in order to continue building shared value”, he added.

CONSOLIDATED RESULTS

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

TABLE 2: CONSOLIDATED DATA

	3Q21	3Q20	Variation %	Jan-Sep'21	Jan-Sep'20	Variation %
Volume by category (MUC)						
Colas	309.1	297.6	3.9	873.7	844.2	3.5
Flavors	109.5	96.9	13.0	311.0	286.1	8.7
Sparkling Total Volume	418.6	394.5	6.1	1,184.7	1,130.4	4.8
Water*	63.1	54.5	15.9	179.0	160.3	11.6
Still Beverages**	54.0	45.7	18.3	148.4	126.4	17.4
Volume excluding Jug	535.7	494.6	8.3	1,512.0	1,417.1	6.7
Jug	58.4	60.1	-2.7	174.0	176.6	-1.5
Total Volume	594.2	554.7	7.1	1,686.0	1,593.7	5.8
Income Statement (MM MXP)						
Net Sales***	47,946	44,811	7.0	134,228	126,649	6.0
EBITDA	9,198	8,642	6.4	26,279	23,514	11.8
EBITDA Margin	19.2%	19.3%	-10 bp	19.6%	18.6%	100 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 reached Ps. 47,946 million in the quarter, up 7.0% (14.4% on a currency neutral basis) compared to 3Q20. In 9M21, net sales rose 6.0% (12.1% on a currency neutral basis) compared to 9M20, reaching Ps. 134,228 million.
- Total volume increased 7.1% in 3Q21 mainly due to the recovery in still, water and flavors categories, with increases of 18.3%, 15.9% and 13.0%, respectively. In 9M21, consolidated volume grew 5.8%.
- In 3Q21, cost of sales rose 7.5% and gross profit increased 6.3% to Ps. 21,552 million versus 3Q20 to reach a gross margin of 44.9%. In 2021 gross profit grew 6.5% to Ps. 60,779 million, representing a gross margin of 45.3%, 30 basis points above 2020.



- Selling and administrative expenses increased 2.9%, from Ps. 14,238 million to Ps. 14,651 million in 3Q21, reflecting an expense to revenue ratio of 30.6%, 120 basis points lower than 3Q20. In 9M21, selling and administrative expenses reached Ps. 41,720 million, up 0.8% versus 9M20, an expense to revenue ratio of 31.1%, which is 160 basis points below 2020.
- In 3Q21, consolidated operating income increased 12.6% versus 3Q20, totaling Ps. 6,808 million, and an operating margin of 14.2%, 70 basis points higher than the previous year. As of September 2021, operating income reached Ps. 19,052 million and an operating margin of 14.2%, up 200 basis points compared to last year.
- Consolidated EBITDA in 3Q21 increased 6.4% to Ps. 9,198 million for an EBITDA margin of 19.2%. In 9M21, EBITDA reached Ps. 26,279 million, up 11.8% and representing a margin of 19.6%, 100 basis points higher than in 9M20. On a currency-neutral basis, EBITDA grew 12.4% in the quarter and 16.7% year-to-date.
- Comprehensive cost of financing for 3Q21 was Ps. 626 million, 43.0% lower than 3Q20, mainly as a result of FX gains stemming from the depreciation of the Mexican peso versus the dollar. In 9M21, the cost reached Ps. 2,429 million, 25.1% higher than 2020.
- Income tax reflected an effective tax rate of 33.0% to reach Ps. 2,042 million, 36.0% higher than 3Q20. In 9M21, the effective tax rate was 31.6% and income tax was Ps. 5,212 million.
- Net income for 3Q21 was Ps. 3,381 million, 23.2% higher than 3Q20, reflecting a net margin of 7.1%, 100 basis points above last year. In 9M21, it reached Ps. 9,095 million, for a net margin of 6.8%, 70 basis points higher when compared to 2020.

BALANCE SHEET & CASH FLOW STATEMENT

- As of September 30, 2021, cash balance was Ps. 32,557 million and total debt was Ps. 53,362 million, for a net debt position of Ps. 20,805 million. Net Debt/EBITDA ratio was 0.6x.
- Net operating cash flow reached Ps. 21,365 million as of September 30, 2021.
- CAPEX for the period totaled Ps. 4,261 million, mainly allocated towards strengthening point-of-sale execution capabilities, returnable packaging, production and distribution.

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

	3Q21	3Q20	Variation %	Jan-Sep'21	Jan-Sep'20	Variation %
Volume by Category (MUC)						
Colas	195.3	192.6	1.4	545.2	536.1	1.7
Flavors	36.8	35.8	2.7	102.1	98.6	3.6
Sparkling Total Volume	232.1	228.4	1.6	647.3	634.7	2.0
Water*	32.9	28.8	14.3	91.3	78.6	16.2
Still Beverages**	20.5	17.9	14.2	56.8	49.8	13.9
Volume excluding jug	285.5	275.1	3.8	795.4	763.1	4.2
Jug	56.9	58.5	-2.8	168.4	170.7	-1.4
Total Volume	342.4	333.6	2.6	963.8	933.9	3.2
Mix (%)						
Returnable	32.1	33.7	-1.6	32.4	33.5	-1.1
Non Returnable	67.9	66.3	1.6	67.6	66.5	1.1
Multi-serve	57.5	60.1	-2.6	57.8	59.7	-1.9
Single-serve	42.5	39.9	2.6	42.2	40.3	1.9
Income Statement (MM MXP)						
Net Sales	21,106	19,179	10.0	58,390	52,251	11.8
EBITDA	5,400	4,791	12.7	14,696	12,791	14.9
EBITDA Margin	25.6%	25.0%	60 bp	25.2%	24.5%	70 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 FOR MEXICO

- Net sales for Mexico reached Ps. 21,106 million in 3Q21, an increase of 10.0%. Average price per unit case, excluding jug water, increased 5.7% to Ps. 69.61, mainly driven by price adjustments in August, as well as the recovery of single serve and channel mix. In 9M21, net sales increased 11.8% to Ps. 58,390 million.
- Volume grew 3.8% to 285.5 MUC (excluding jug water), mainly driven by the recovery of water and still beverage categories, up 14.3% and 14.2%, respectively. In 9M21, volume rose 4.2% (excluding jug water).



- EBITDA in Mexico increased 12.7% to Ps. 5,400 million in the quarter, representing a margin of 25.6%, 60 basis points higher than 3Q20. In 9M21, EBITDA reached Ps. 14,696 million, up 14.9% or 70 basis points above 9M20.
- Volume recovery in the quarter was driven by initiatives to support the recovery in the modern trade channel, namely supermarkets and convenience stores, which grew by 14.3% and 7.3%, respectively.
- In terms of recent product innovations, Topo Chico Hard Seltzer achieved a solid 66% coverage, standing among the top 3 brands in the flavored alcoholic beverages category in our key markets in Monterrey and Guadalajara. In addition, the relaunch of Coca-Cola Sin Azucar expanded coverage in the traditional channel to reach 80%.
- In terms of mix, one-way packages increased 1.6 percentage points due to the recovery of channels, such as the on-premise, modern and entertainment channels.
- As part of our digital agenda, we launched the initiative “*Cartera Personalizada por Cliente*” (“Personalized Customer Portfolio”) supported by Advanced Analytics; this initiative consists of determining personalized suggested orders, taking into account the customer’s demographics to help them improve product offering and increase store sales.
- The still beverage category posted positive results mainly due to the growth in sport drinks, energy drinks, and juices and nectars, stemming from the execution and commercial promotions focused on: 1) promoting Powerade brand during the Tokyo Summer Olympics and the launching of Powerade Fit, 2) increasing coverage of Monster and Predator within the traditional channel, and 3) strengthening coverage in juices and nectars category in convenience stores, supported by attractive price points.
- During the quarter we launched the program “*Somos*” (“We Are”), aimed at improving the communication of market execution priorities with our sales force and strengthen our market position, while ensuring proper execution in the traditional channel.
- The Direct to Home channel grew 7.6% in 3Q21 mainly due to a 40% increase in customers, resulting from the strategy of promoting the “*Coca-Cola en tu Hogar*” (Coca-Cola in your Home) website.
- Bokados in Mexico registered double-digit sales and EBITDA increases, resulting from a 14.8% volume growth in the traditional channel and an improved performance in the modern channel due to the increase in mobility and efficient management of discounts.



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

	3Q21	3Q20	Variation %	Jan-Sep'21	Jan-Sep'20	Variation %
Volume by Category (MUC)						
Colas	51.2	50.9	0.6	151.1	150.3	0.5
Flavors	30.4	27.6	10.5	86.6	81.1	6.8
Sparkling Total Volume	81.7	78.5	4.1	237.7	231.4	2.7
Water*	14.4	14.3	0.8	40.8	41.9	-2.6
Still Beverages**	21.1	19.6	7.9	55.5	51.7	7.4
Total Volume	117.2	112.4	4.3	334.0	325.0	2.8
Mix (%)						
Multi-serve	65.2	66.0	-0.8	66.8	67.6	-0.8
Single-serve	34.8	34.0	0.8	33.2	32.4	0.8
Income Statement (MM MXP)						
Net Sales***	17,956	17,943	0.1	50,657	50,549	0.2
EBITDA	2,211	2,431	-9.1	6,950	6,577	5.7
EBITDA Margin	12.3%	13.6%	-130 bp	13.7%	13.0%	70 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 FOR THE U.S.

- In 3Q21, net sales in the U.S. reached Ps. 17,956 million, in line with 3Q20. Sales volume totaled 117.2 MUC, 4.3% higher than 3Q20 through a combination of recovery in categories and channels. Flavors and still beverages grew 10.5% and 7.9%, respectively. The on-premise and large store channels grew 19.5% and 8.0%, respectively, driven by greater consumer confidence. In 9M21, volume rose 2.8%.
- During 3Q21, EBITDA reached Ps. 2,211 million, a decline of 9.1% and a margin of 12.3%, down 130 basis points when compared to 3Q20. Through September 2021, EBITDA was Ps. 6,950 million, 5.7% higher compared to 2020, representing an expansion of 70 basis points.
- With an off-cycle price increase and a solid price-pack strategy, net price in 3Q21 increased 7.7% driven mainly by a true rate increase of 6.1% and a positive mix effect of 1.6%.
- This quarter we made significant progress in our digital agenda by implementing a leading IT tool that will help our planning teams improve forecast accuracy, production planning and transporting of finished product.
- During the quarter, we reached the highest number of customers registered on the e-commerce platform mycoke.com. Currently, over 11 thousand active customers place orders through this platform, representing more than 10% of total revenues.



- We continued working on our Advanced Analytics agenda, specifically in the optimization of promotions. In 3Q21, we completed the testing of a new tool that will help us automate planning processes and promotion tracking; this will be a key to ensure optimization of promotional investments, while providing our customers with information that will drive higher volumes at their stores.
- We developed new capabilities to assist our customers in their reactivation and incorporation of food aggregators such as Doordash and Grubhub. Through discounts and other promotional tools, we are helping customers drive their business and offer products of our brands on these platforms.
- The implementation of our Go to Market 2.0 initiative has enabled us to efficiently allocate resources to maximize execution. This effort was capitalized by a 61% increase in customer visits and a 29% increase in incremental orders when compared to 3Q20.
- We continue moving forwards to achieve our commitment to reach an average of 50% recycled PET in our entire portfolio, this quarter we completed the transition of all 13.2oz flavors to 100% recycled PET.
- In Wise, 3Q21 presented a mid-single digit sales decline. To offset the increase in raw material costs, we made selective price increases as well as savings plans. Deep River brand posted a solid performance resulting from the reopening of customers and the capture of new customers in the on-premise channel.



South America

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

TABLE 4: SOUTH AMERICA DATA

	3Q21	3Q20	Variation %	Jan-Sep'21	Jan-Sep'20	Variation %
Volume by Category (MUC)						
Colas	62.6	54.1	15.7	177.5	157.8	12.5
Flavors	42.3	33.5	26.1	122.2	106.5	14.8
Sparkling Total Volume	104.9	87.6	19.7	299.7	264.3	13.4
Water*	15.7	11.3	38.9	46.9	39.9	17.6
Still Beverages**	12.4	8.2	52.2	36.1	24.8	45.2
Volume excluding jug	133.0	107.1	24.2	382.7	329.0	16.3
Jug	1.5	1.5	0.6	5.6	5.9	-4.7
Total Volume	134.6	108.6	23.9	388.3	334.8	16.0
Mix (%)						
Returnable	31.7	33.2	-1.5	31.9	33.4	-1.5
Non Returnable	68.3	66.8	1.5	68.1	66.6	1.5
Multi-serve	71.0	76.6	-5.6	71.9	75.1	-3.2
Single-serve	29.0	23.4	5.6	28.1	24.9	3.2
Income Statement (MM MXP)						
Net Sales	8,884	7,690	15.5	25,182	23,849	5.6
EBITDA	1,587	1,420	11.7	4,632	4,147	11.7
EBITDA Margin	17.9%	18.5%	-60 bp	18.4%	17.4%	100 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 FOR SOUTH AMERICA

- Net sales for the South America division in 3Q21 reached Ps. 8,884 million, an increase of 15.5% driven mainly by volume recovery across all three operations, as well as selective price increases in Argentina and Peru. In 9M21, net sales reached Ps. 25,182 million, an increase of 5.6% when compared to 9M20.
- Total volume for South America increased 24.2% to 133.0 MUC, excluding jug water, primarily due to a broad base recovery resulting from the lifting of mobility restrictions. In 9M21, volume for this region increased 16.3%.
- EBITDA for South America increased 11.7% to Ps. 1,587 million, reflecting a margin of 17.9%, a dilution of 60 basis points versus 3Q20. In 9M21, EBITDA reached Ps. 4,632 million, an increase of 11.7% and a margin of 18.4%, 100 basis points higher than 9M20.



Peru

- Volume in Peru rose 29.4% in the quarter due to the recovery in all categories stemming from the lifting of mobility restrictions. For 9M21, volume registered an increase of 18.9%.
- During the quarter, the mix of single serve packages posted a recovery of 5.8 percentage points, due to the execution of plans to drive single-serve and the recovery of channels, such as on-premise.
- The stills category grew 35.4% in 3Q21, surpassing the volume reported in 2019, mainly driven by sports drinks and boosted by the launch of a new 473ml package at an affordable price and a new flavor of Powerade in multi-serve package.
- In terms of channels, volume in the traditional trade grew 12.3% and 0.4 percentage points in market share, as a result of the implementation of various initiatives such as customer training, covering important topics like the use of social media networks to increase their sales, new service models and rollout of AC Digital.
- The Direct to Home platform grew its customer base by 12% versus 2Q21 and number of customers that place orders rose 39%. These improvements were driven by the promotional activities communicated through social media networks.
- During the quarter, Inca Kola Power was launched to compete in the functional sparkling beverage category, reaching coverage of 34% in the traditional channel in the first month.

Ecuador

- Volume in Ecuador increased 12.2% driven by the recovery of the stills and water categories, up 44.8% and 36.5%, respectively. During 9M21, sales volume rose 11.2% versus 2020.
- During 3Q21, we maintained our focus on affordability which generated a 2.8 percentage point increase in the mix of returnables. Furthermore, mix of single serve packages increased by 7.1 percentage points due to the changes in consumption trends.
- We expanded the launch of Coca-Cola Sin Azucar to reach 79% coverage, the highest in the last 3 years, along with volume growth of 18% versus last year.
- In 3Q21, Tonicorp posted a high single-digit sales increase thanks to the growth strategy of expanding the portfolio of high value-added products and maintaining leadership in the premium segment. During the quarter, we completed the launch of “Toni Digest”, a product that combine probiotics and prebiotics to support the digestive health of consumers.
- In Inalecsa, sales grew by double digits mainly driven by volume recovery and improved pricing. The strategy has focused on tightening expense controls and capturing new customers, mainly in the traditional channel in territories where we serve them using direct distribution.
- In the quarter, our Food and Snacks subsidiary completed the acquisition of Carli Snack, based in Quito. Carli ranks among the leading companies in the snacks industry in the country with a wide national footprint and a relevant market position in categories such as potato chips, extruded snacks, tortillas, protein snacks, and plantain-based chips. The combination of Inalecsa and Carli provides a solid platform that will bring innovation to our portfolio, product, and brand expansion, as well as synergies and the sharing of best practices.



Argentina

- Volume in Argentina increased 26.5% in the quarter versus 3Q20 and 29.1% versus 3Q19; recovery was driven by a positive performance in the stills and water categories which grew 99.2% and 29.5%, respectively. In 9M21, volume grew by 15.2% when compared to 9M20.
- The modern trade channel posted the strongest recovery, namely supermarkets, which grew by over 60%, benefitted largely by greater mobility during the quarter.
- In the still beverage category, we launched Cepita Fresh in 2-liter returnable in the Universal Bottle, in grapefruit and orange flavors, thus carrying out a launching strategy affordable for consumers.

ESG

- We obtained the award for Ethics and Values by the Confederation of Industrial Chambers of Mexico, which recognizes companies that evaluate the system and methodology that the organization has established to organize, disburse, measure, and improve the incorporation of the corporate social, responsibility, and sustainable development culture within their operations.
- This quarter we inaugurated the first of four wastewater treatment systems we are developing in conjunction with the Mexican Coca-Cola Industry and state governments. This first wetland, which is a nature-based water treatment system, is now serving a large part of the community in Jalisco, treating 3 million liters of water per day to supply clean water for the population, as well as hydration for an expansive nursery and forestry preserve. We are investing a total of Ps. 170 million in these projects as part of our commitment to generating social, environmental, and shared value.
- In collaboration with the Secretary of Sustainable Development of Sinaloa, AC participated in the collection of 2.6 tons of plastic waste from the ocean, during the “Torneo de Pesca de Plástico” (“Plastic Fish Tournament”), to help restore Bahía Santa María, one of the most important wetlands in Mexico.
- Arca Continental and Coca-Cola Mexico participated in the complete restoration of schools through the initiative “*Apadrina una Escuela*” (“Sponsor a School”) in collaboration with the Government of Nuevo Leon to ensure that pre-school and elementary school students return to class in worthy spaces. Through this initiative they restored, among other things, potable water service, drainage, electrical maintenance and infrastructure.
- For the eighth consecutive year, Arca Continental Lindley was awarded the “Socially Responsible Company Distinction”, a recognition given by the organization Peru 2021 and the Mexican Center for Philanthropy. This result reflects the development of the company’s universal focus on sustainability, which stems from its organizational strategy throughout its interest group relations.
- Arca Continental Ecuador was recognized by the Women’s Economic Forum as one of the “Iconic Companies Creating a Better World for All”. This award pays homage to companies that make a difference due to their commitment to the creation of an inclusive workplace, and with a focus on gender equality and empowerment.
- Arca Continental, in collaboration with Coca-Cola Argentina, reconditioned 14 waste separating stations and 3 at the tourism complex of the Teleférico de San Bernardo in the city of Salta. This cableway is a key location to raise awareness among the more than 110,000 local consumers and tourist on the importance of recycling.



RECENT EVENTS

- On July 20, 2021, Fitch Ratings announced the ratification of its investment grade rating for Arca Continental, AC Bebidas and Arca Continental Lindley, at both the global and national levels. The agency confirmed its “A” long-term credit rating in its global scale for AC and ACBE, and the “AAA (mex)” rating in its national scale, with a stable outlook. For Arca Continental Lindley, the agency also ratified its global “A” rating, with a stable outlook.
- On September 13, 2021, AC paid an extraordinary cash dividend of Ps. 1.50 per share, in one payment, equivalent to a total amount of Ps. 2,646 million. With this extraordinary dividend payment, the payout ratio is 76% year-to-date.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on October 28, 2021 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 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 95 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 123 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)

	3Q21		3Q20		Variation		Jan-Sep'21		Jan-Sep'20		Variation	
					MM MXP	%			MM MXP	%	MM MXP	%
Net Sales	47,946	44,811			3,135	7.0	134,228	126,649			7,580	6.0
Cost of Sales	26,395	24,546			1,849	7.5	73,449	69,599			3,850	5.5
Gross Profit	21,552	20,266			1,286	6.3	60,779	57,050			3,730	6.5
	44.9%	45.2%					45.3%	45.0%				
Selling Expenses	12,320	11,941			379	3.2	34,922	34,677			245	0.7
Administrative Expenses	2,331	2,297			34	1.5	6,799	6,706			93	1.4
Total Costs	14,651	14,238			413	2.9	41,720	41,383			338	0.8
	30.6%	31.8%					31.1%	32.7%				
Non Recurring Expenses	40	145			-105	-72.3	315	669			-355	-53.0
Operating Income before other income	6,860	5,882			978	16.6	18,744	14,997			3,747	25.0
Other Income (Expenses) ^{1,2}	-53	162			-215	-132.5	308	468			-161	-34.3
Operating Income	6,808	6,045			763	12.6	19,052	15,466			3,586	23.2
	14.2%	13.5%					14.2%	12.2%				
Interest Expense Net	-739	-870			131	-15.0	-2,182	-2,682			499	-18.6
Exchange Gain (Loss)	177	-208			385	-184.8	-51	774			-824	-106.6
Monetary position result	-63	-18			-45		-196	-34			-162	
Comprehensive Financial Results	-626	-1,097			471	-43.0	-2,429	-1,942			-488	25.1
Share of net income of associates ³	7	-53			60	-113.6	-118	-23			-95	411.8
Earnings Before Taxes	6,189	4,895			1,294	26.4	16,505	13,501			3,004	22.2
Profit Taxes	-2,042	-1,501			-541	36.0	-5,212	-4,070			-1,143	28.1
Non-controlling interest	-767	-650			-117	18.0	-2,197	-1,675			-523	31.2
Net Profit	3,381	2,744			637	23.2	9,095	7,757			1,339	17.3
	7.1%	6.1%					6.8%	6.1%				
Depreciation and amortization	2,350	2,452			-102	-4.2	6,912	7,379			-467	-6.3
EBITDA	9,198	8,642			556	6.4	26,279	23,514			2,764	11.8
EBITDA / Net Sales	19.2%	19.3%					19.6%	18.6%				

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

Consolidated Balance Sheet

(millions of Mexican pesos)

	September 30	December 31	Variation	
	2021	2020	MM MXP	%
ASSETS				
Cash and cash equivalents	32,557	27,336	5,221	19.1
Accounts receivable; Net	14,378	11,062	3,316	30.0
Inventories	9,286	8,251	1,035	12.5
Prepayments	842	451	391	86.7
Total Current Assets	57,063	47,099	9,964	21.2
Investments in shares and other investments	8,341	8,308	33	0.4
Property, plant and other equipment	67,561	69,659	-2,098	-3.0
Assets right of use	1,034	1,190	-156	-13.1
Other non current assets	120,884	119,717	1,167	1.0
Total Assets	254,883	245,974	8,910	3.6
LIABILITIES				
Short term bank loans	8,929	7,132	1,796	25.2
Suppliers	9,569	8,044	1,525	19.0
Short term lease	327	358	-31	-8.6
Accounts payable and taxes	18,131	15,245	2,886	18.9
Total Current Liabilities	36,956	30,779	6,177	20.1
Bank Loans and long term liabilities	44,433	43,445	989	2.3
Long term lease	765	853	-88	-10.3
Deferred income tax and others	24,185	23,476	708	3.0
Total Liabilities	106,340	98,553	7,786	7.9
SHAREHOLDER'S EQUITY				
Non controlled participation	29,361	30,566	-1,206	-3.9
Capital Stock	982	982	0	0.0
Retained Earnings	109,106	105,596	3,510	3.3
Net Profit	9,095	10,276	-1,181	-11.5
Total Shareholders' Equity	148,544	147,420	1,124	0.8
Total Liabilities and Shareholders' Equity	254,883	245,974	8,910	3.6



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

Cash Flow Statement

(millions of Mexican pesos)

	as of September 30	
	2021	2020
Earnings Before Taxes	16,505	13,501
Depreciation and amortization	6,912	7,379
Foreign exchange / Monetary position result	247	-740
Accrued interests	2,182	2,682
Gain on sale and fixed assets impairment	662	623
Operating cash flow before taxes	26,508	23,445
Cashflow generated/used in the operation	-5,143	-1,510
Operating cashflow after working capital	21,365	21,935
Investment Activities:		
Capital Expenditures and Investments (Net)	-5,949	-3,392
Financing Activities:		
Dividends paid	-9,769	-7,275
Share repurchase program	-9	-108
Debt amortization	2,341	149
Paid interests	-2,824	-3,313
Other	-440	-470
Net cash flow	-10,702	-11,016
Net increase of cash and equivalents	4,714	7,527
Change in Cash	507	2,857
Initial cash and equivalents balance	27,336	22,051
Final cash and equivalents balance	32,557	32,435



Información Financiera Adicional

Information by Segments 3Q21

	Beverage Segments					Other	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*		
Volume by Segment	342.4	117.2	66.3	34.2	34.1			594.2
Sales by Segment	20,111	16,834	3,487	2,279	2,775	2,889	-428	47,946
Intersegment Sales	-278	0	-38	0	-2	-110	428	0
Net Sales from intersegments	19,833	16,834	3,449	2,279	2,774	2,779	0	47,946
Operating Income	4,536	1,700	409	151	259	-249	0	6,808
EBITDA	5,279	2,284	680	345	512	99	0	9,198
EBITDA / Net Sales	26.6%	13.6%	19.7%	15.1%	18.4%	3.6%		19.2%
Non Recurring Expenses	5	0	2	24	3	5	0	40
Depreciation and amortization	737	584	268	169	249	342	0	2,350
Financial Income	452	5	403	13	18	19	0	910
Financial Expenses	687	175	578	37	43	16	0	1,536
Share of net income of associates	-7	15	0	0	0	0	0	7
Earnings Before Taxes	4,294	1,545	234	127	234	-245	0	6,189
Total Assets	81,249	106,975	38,524	9,604	22,906	12,986	-17,360	254,883
Investment in associates companies	7,318	620	0	403	0	0	0	8,341
Total Liabilities	48,909	38,700	13,922	1,565	5,553	3,625	-5,935	106,340
CAPEX	2,212	906	421	295	305	223	0	4,364

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

Information by Segments Jan-Sep'21

	Beverage Segments					Other	Eliminations	Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*		
Volume by Segment	963.8	334.0	197.7	90.4	100.2			1,686.0
Sales by Segment	55,601	47,451	10,671	5,338	8,208	8,137	-1,177	134,228
Intersegment Sales	-767	0	-82	0	-5	-323	1,177	0
Net Sales from intersegments	54,834	47,451	10,588	5,338	8,203	7,814	0	134,228
Operating Income	12,147	5,212	1,364	284	664	-620	0	19,052
EBITDA	14,437	7,105	2,236	820	1,443	238	0	26,279
EBITDA / Net Sales	26.3%	15.0%	21.1%	15.4%	17.6%	3.0%		19.6%
Non Recurring Expenses	71	95	6	95	23	24	0	315
Depreciation and amortization	2,219	1,797	866	440	756	834	0	6,912
Financial Income	1,469	17	1,719	-4	57	46	0	3,304
Financial Expenses	2,767	530	2,169	94	119	55	0	5,733
Share of net income of associates	-132	15	0	0	0	0	0	-118
Earnings Before Taxes	10,717	4,714	914	186	602	-628	0	16,505
Total Assets	81,249	106,975	38,524	9,604	22,906	12,986	-17,360	254,883
Investment in associates companies	7,318	620	0	403	0	0	0	8,341
Total Liabilities	48,909	38,700	13,922	1,565	5,553	3,625	-5,935	106,340
CAPEX	2,212	906	421	295	305	223	0	4,364

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



Total Debt AC

	2021	2022	2023	2024	2025	2026	2027	2028	2029	...	2032	Total
Debt Maturity Profile	4,455	7,733	5,509	3,406	4,157	2,467	6,378	3,023	8,117		8,117	53,362
% of Total	8.3%	14.5%	10.3%	6.4%	7.8%	4.6%	12.0%	5.7%	15.2%		15.2%	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

	3Q21	3Q20	YoY		Jan-Sep'21	Jan-Sep'20	YoY
MXN	20.05	22.26	-9.9%	MXN	20.20	21.83	-7.5%
PEN	4.96	6.28	-21.0%	PEN	5.28	6.31	-16.4%
ARS	0.21	0.30	-32.4%	ARS	0.22	0.32	-33.1%

End of period exchange rate

	3Q21	2Q21	3Q20
MXN	20.50	19.82	22.36
PEN	4.96	5.13	6.22
ARS	0.21	0.21	0.29

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>

