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EARNINGS RELEASE

EBITDA GREW 17.7% WITH NET SALES UP 4.9% IN 4Q19

Monterrey, Mexico, February 14, 2020 – 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 fourth quarter and full year of 2019 (“4Q19” and “12M19”).

Table 1: Financial Highlights

DATA IN MILLIONS OF MEXICAN PESOS						
	4Q19	4Q18	Variation %	Jan-Dec'19	Jan-Dec'18	Variation %
Total Beverage Volume (MUC)	561.2	544.9	3.0	2,240.2	2,220.1	0.9
Net Sales	41,409	39,456	4.9	162,728	155,653	4.5
EBITDA	8,016	6,811	17.7	30,403	27,467	10.7
Net Income	2,296	2,331	-1.5	9,548	8,703	9.7

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

4Q19 HIGHLIGHTS

- Net Sales reached Ps. 41,409 million, 4.9% higher than 4Q18.
- EBITDA totaled Ps. 8,016 million for a margin of 19.4%, up 17.7% when compared to 4Q18.
- Net Income came in at Ps. 2,296 million, representing a margin of 5.5%.

12M19 HIGHLIGHTS

- Net Sales rose 4.5% to Ps. 162,728 million.
- EBITDA was Ps. 30,403 million, 10.7% higher than 12M18, representing a margin of 18.7%.
- Net Income reached Ps. 9,548 million for a margin of 5.9%.

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“Continuing on our path of transformation to build an even stronger future, during 2019 we achieved revenue growth of 4.5% to reach Ps. 162,728 million and a 10.7% improvement in EBITDA. These significant results reflect the commitment and talent of our team to drive operating efficiency, perfect execution at the point of sale and deliver positive results even under challenging conditions”, stated Arturo Gutierrez, Chief Executive Officer of Arca Continental.

“In 2020 we will continue to emphasize the importance of innovation by enhancing our digital initiatives and making strategic investments in all our territories, such as the case of our new plant in Houston which will generate savings of around US\$30 million per year”, he added.

CONSOLIDATED RESULTS

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

TABLE 2: CONSOLIDATED DATA

	4Q19	4Q18	Variation %	Jan-Dec'19	Jan-Dec'18	Variation %
Volume by category (MUC)						
Colas	292.9	284.5	3.0	1,148.3	1,142.3	0.5
Flavors	115.7	116.3	-0.5	441.3	450.1	-2.0
Sparkling Total Volume	408.6	400.7	2.0	1,589.6	1,592.4	-0.2
Water*	56.8	55.1	3.0	240.8	240.1	0.3
Still Beverages**	43.0	39.8	8.1	179.8	172.2	4.4
Volume excluding Jug	508.3	495.6	2.6	2,010.3	2,004.7	0.3
Jug	52.9	49.3	7.3	230.0	215.4	6.8
Total Volume	561.2	544.9	3.0	2,240.2	2,220.1	0.9
Income Statement (MM MXP)						
Net Sales***	41,409	39,456	4.9	162,728	155,653	4.5
EBITDA	8,016	6,811	17.7	30,403	27,467	10.7
EBITDA Margin	19.4%	17.3%	210 bp	18.7%	17.6%	110 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

FINANCIAL ANALYSIS

INCOME STATEMENT

- Consolidated net sales in 4Q19 increased 4.9% compared to 4Q18 to Ps. 41,409 million. This figure reached Ps. 162,728 million in the full year of 2019, up 4.5% when compared to the previous year.
- During 4Q19, sales volume increased 2.6%, excluding jug water, mainly due to the strong performance in Mexico and driven by a 8.1% growth in still beverages and a 3% growth in colas. In 2019 sales volume was flat versus the previous year, mainly by a 2% drop in flavors and offset by a 0.5% increase in colas category.
- During the fourth quarter, cost of sales remained flat, because of lower prices in raw materials, mainly PET, aluminum and sweeteners, offset by an increase in the price of concentrate and the effects of the restatement of financial statements in Argentina.
- Consolidated gross profit increased to Ps. 18,923 million, 10.7% above 4Q18, reaching a gross margin of 45.7%, 240 basis points above the previous quarter, mainly due to our price-pack revenue initiatives.



Gross profit for 12M19 reached Ps. 73,073 million to reach a gross margin of 44.9%, 50 basis points above 2018.

- Selling and Administrative expenses increased 3.2% to Ps. 13,472 million in 4Q19. For the full year of 2019, SG&A increased 2.9% to Ps. 52,278 million, representing 32.1% of revenues, 50 basis points lower than 12M18, as a result of efficiencies and savings plans throughout the operations.
- Regarding changes resulting from the application of IFRS 16, the effects on the 4Q19 results were: depreciation expense of Ps. 120 million and financial expenses of Ps. 19 million. As of December 2019, the effects on depreciation expenses and financial expenses were Ps. 479 million and Ps. 86 million, respectively.
- In 4Q19, consolidated operating income increased 23.2% when compared to 4Q18, reaching Ps. 5,067 million, representing an operating margin of 12.2%, up 180 basis points. For the full year of 2019 this figure reached Ps. 20,200 million, up 8.8%, for an operating margin of 12.4%, up 50 basis points.
- During 4Q19, consolidated EBITDA increased 17.7% to Ps. 8,016 million, representing a margin of 19.4%, up 210 basis points vs. 4Q18. For the full year of 2019 this figure increased 10.7% (8.8% excluding the effect of IFRS 16) reaching Ps. 30,403 million for a margin of 18.7% (18.4% excluding the effect of IFRS 16), 110 basis points higher than 2018. The benefit to EBITDA from the application of IFRS 16 reached Ps. 523 million in 2019.
- The comprehensive financing result for 4Q19 increased to Ps. 967 million mainly due to a higher foreign exchange loss as a result of the cash held in dollars and the appreciation of the Mexican peso. For full year 2019 this figure reached Ps. 3,592 million, 12.7% lower than 12M18.
- In 4Q19, the income tax provision reflects an effective tax rate of 33.7% for an amount of Ps. 1,429 million; the rate increase was due to a change in tax laws in Peru and higher taxes on dividends paid in Peru and Ecuador. For full year 2019 the effective tax rate was 30.1%, 380 basis points higher than in 2018.
- Arca Continental's net income for 4Q19 was Ps. 2,296 million, 1.5% lower than 4Q18, reflecting a margin of 5.5%, down 40 bps; for 12M19 this figure reached Ps. 9,548 million, for a net margin of 5.9%, up 30 bps vs 2018.

BALANCE SHEET & CASH FLOW STATEMENT

- As of December 31, 2019, the cash balance was Ps. 22,038 million and debt was Ps. 53,261 million, for a net debt position of Ps. 31,223 million. The Net Debt/EBITDA ratio, excluding the effects of applying IFRS 16, was 1.0x.
- Net operating cash flow reached Ps. 28,741 million in 4Q19.
- CAPEX for the period totaled Ps. 11,568 million, mainly allocated to projects, such as the plan in Houston, to capture synergies in the U.S., and to strengthen distribution, production and execution capabilities at the point of sale in all operations.



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

	4Q19	4Q18	Variation %	Jan-Dec'19	Jan-Dec'18	Variation %
Volume by Category (MUC)						
Colas	176.5	169.5	4.1	719.1	715.1	0.5
Flavors	35.7	33.6	6.1	144.7	141.2	2.4
Sparkling Total Volume	212.2	203.1	4.5	863.7	856.4	0.9
Water*	24.6	19.7	24.7	108.3	100.2	8.1
Still Beverages**	16.5	15.3	8.0	69.5	65.6	6.0
Volume excluding jug	253.3	238.2	6.4	1,041.5	1,022.1	1.9
Jug	50.2	46.3	8.2	218.9	204.2	7.2
Total Volume	303.5	284.5	6.7	1,260.4	1,226.3	2.8
Mix (%)						
Returnable	30.8	31.0	-0.2	31.4	31.5	0.0
Non Returnable	69.2	69.0	0.2	68.6	68.5	0.0
Multi-serve	55.3	55.0	0.2	54.2	53.6	0.6
Single-serve	44.7	45.0	-0.2	45.8	46.4	-0.6
Income Statement (MM MXP)						
Net Sales	16,889	15,153	11.5	68,036	62,383	9.1
EBITDA	3,752	2,612	43.6	15,678	13,517	16.0
EBITDA Margin	22.2%	17.2%	500 bp	23.0%	21.7%	130 bp

* 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. 16,889 million during 4Q19, an increase of 11.5%. Sales volume reached 253.3 MUC (excluding jug water), an increase of 6.4% when compared to 4Q18. The average price per unit case excluding jug water rose 4.6% to Ps. 62.96 in the quarter as a result of pricing initiatives carried out during the year. For the full year of 2019, sales grew 9.1% to Ps. 68,036 million, while volume reached 1,041.5 MUC, 1.9% higher than 2018.
- In 4Q19, EBITDA reached Ps. 3,752 million, up 43.6% and representing a margin of 22.2%, 500 basis points above 4Q18. For the full year of 2019, EBITDA was Ps. 15,678 million, representing a margin of 23%, 130 basis points above 2018.



- The channels that contributed with the highest volume growth during 4Q19 were the traditional channel and convenience stores, up 5.4% and 8.6%, respectively. Growth was driven by Coca-Cola and Fresca brands with promotions carried out during December as well as more aggressive execution to achieve greater coverage of these packages.
- As part of the innovation strategy in the sparkling category, during the fourth quarter we launched Coca-Cola Café and Coca-Cola Energy in all channels, reaching coverage of 26% and 19%, respectively, in the traditional channel.
- This quarter, the Suggested Order model reached its first year of implementation, achieving a 50% reduction in out-of-stocks in the traditional channel, resulting in incremental sales and improved customer service levels.
- In 4Q19, we implemented the next phase of suggested orders through the Advanced Analytics team, consisting of defining the portfolio and optimum quantity of products for each customer based on their characteristics. In addition, we developed two additional models to optimize investments in loyalty programs and cooler equipment assignments.
- During the year, we introduced more than 100 thousand cooler doors, utilizing Advanced Analytics methodologies to prioritize these investments. This yielded an increase of 5.8% compared to the previous year.
- This quarter, we launched the Universal Bottle, the first returnable and reusable bottle with the same design for all brands of Coca-Cola. This project began in Aguascalientes and San Luis Potosí with the 1.5L presentation of Coca-Cola, Coca-Cola Sin Azúcar, Fanta, Sprite, Fresca and Mundet brands. The second phase will include Valle Frut. This project enables us to better serve the preferences and needs of our consumers, while also contributing to the environment by fostering the reuse of packaging.
- In 2019, we continued the commercial initiatives and a plan to increase coverage of Coca-Cola Sin Azúcar in the traditional channel, achieving 82% coverage and a 12.6% increase in volume when compared to 2018.
- In 4Q19, the Vending operation in Mexico posted high single digit growth in volume and revenues, while EBITDA grew double-digit, driven mainly by price adjustments and the continuous relocation of machines to maximize profitability.
- The Bokados business posted mid-single digit growth in revenue and double-digit growth in EBITDA. These results were driven by route optimization as well as the growth strategies for the central and western regions of the country, where sales grew double-digit. In addition, five new products were launched: Prispas Chamoy, Topitos T, Enredos Black, Mix Golos and D-Tochos Chile Limón.

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

	4Q19	4Q18	Variation %	Jan-Dec'19	Jan-Dec'18	Variation %
Volume by Category (MUC)						
Colas	52.8	51.7	2.1	200.7	199.0	0.8
Flavors	28.9	28.4	1.7	111.7	112.1	-0.4
Sparkling Total Volume	81.7	80.1	2.0	312.4	311.1	0.4
Water*	12.4	13.6	-9.1	57.0	62.9	-9.4
Still Beverages**	15.9	14.5	10.1	71.7	68.7	4.3
Total Volume	110.0	108.2	1.7	441.1	442.8	-0.4
Mix (%)						
Multi-serve	64.7	65.7	-1.0	62.3	63.1	-0.7
Single-serve	35.3	34.3	1.0	37.7	36.9	0.7
Income Statement (MM MXP)						
Net Sales***	14,856	14,425	3.0	59,038	56,009	5.4
EBITDA	2,040	1,859	9.7	7,355	6,556	12.2
EBITDA Margin	13.7%	12.9%	80 bp	12.5%	11.7%	80 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.

- Total revenues in the U.S. increased 3.0% in 4Q19 to Ps. 14,856 million. Sales volume came in at 110.0 MUC, 1.7% higher than 4Q18, mainly driven by the growth in still beverages and colas, which rose 10.1% and 2.1%, respectively. These results reflect a solid price-pack strategy.
- In 4Q19, EBITDA for the U.S. reached Ps. 2,040 million with an EBITDA margin of 13.7%, up 80 basis points when compared to 4Q18. For the full year of 2019, EBITDA totaled Ps. 7,355 million, up 12.2% when compared to 2018.
- In 2019, CCSWB was awarded the Candler Cup, the highest distinction for any Coca-Cola bottler globally, based on the results and performance in 2018.
- During 2019, more than 140 presentations were introduced in different categories, among the most relevant launches were Coca-Cola Orange Vanilla, Smartwater Alkaline and Antioxidant and Reign.
- In the fourth quarter, the operation continued strengthening our ACT execution model, posting better performance indicators such as visit competition, additional orders, among others, improving in 14 of the 20-fundamental metrics when compared to the previous year.
- In 2019, was created the first *Día de los Muertos* campaign, targeting Hispanic consumers with Fanta of Mexico imports, increasing its volume by 2.5%. In addition, special edition racks were executed featuring the Mexican National Soccer Team in order to capture and connect with Hispanic consumers in Texas.



- The RGM initiatives, as well as the continued focus on improving execution at every point of sale, enabled CCSWB to maintain its value share during 2019.
- During 2019, 39,000 coolers were placed throughout the market, which represented an increase of 3.8% versus 2018.
- In 4Q19, Wise posted a low-single digit sales decline, however, it registered significant EBITDA growth as a result of the savings plans implemented during the year and better raw material costs.



South America

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

TABLE 4: SOUTH AMERICA DATA

	4Q19	4Q18	Variation %	Jan-Dec'19	Jan-Dec'18	Variation %
Volume by Category (MUC)						
Colas	63.7	63.3	0.6	228.6	228.2	0.2
Flavors	51.0	54.2	-5.8	184.9	196.7	-6.0
Sparkling Total Volume	114.7	117.5	-2.4	413.5	424.9	-2.7
Water*	19.8	21.7	-9.1	75.5	77.0	-1.9
Still Beverages**	10.6	10.0	5.4	38.7	37.9	1.9
Volume excluding jug	145.1	149.3	-2.8	527.7	539.8	-2.3
Jug	2.7	3.0	-7.6	11.1	11.2	-0.7
Total Volume	147.8	152.2	-2.9	538.8	551.0	-2.2
Mix (%)						
Returnable	30.1	27.4	2.7	30.2	28.2	1.9
Non Returnable	69.9	72.6	-2.7	69.8	71.8	-1.9
Multi-serve	68.7	68.6	0.0	66.9	67.8	-0.9
Single-serve	31.3	31.4	0.0	33.1	32.2	0.9
Income Statement (MM MXP)						
Net Sales	9,665	9,878	-2.2	35,653	37,260	-4.3
EBITDA	2,224	2,339	-4.9	7,370	7,394	-0.3
EBITDA Margin	23.0%	23.7%	-70 bp	20.7%	19.8%	90 bp

* 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

- The South America division posted a 2.2% decline in net sales to Ps. 9,665 million in 4Q19. For the full year 2019, net sales reached Ps. 35,653 million, down 4.3% when compared to 2018, mainly due to the devaluation of the Argentine peso.
- In 4Q19, total volume for South America decreased 2.8% to 145.1 MUC, excluding jug water, explained mainly by a 9.1% decline in the water category and a 5.8% drop in flavors, partially offset by a 5.4% increase in still beverages. In 2019 total volume for the region decreased by 2.3%.
- EBITDA for South America was down 4.9% in 4Q19 to Ps. 2,224 million, reflecting a margin of 23.0%, a reduction of 70 basis points versus 4Q18. For the full year of 2019, EBITDA reached Ps. 7,370 million for a margin of 20.7%, 90 basis points higher than 2018.



Peru

- In 4Q19, sales volume was down 3.2% mainly from the declines in water and flavors of 11.0% and 6.9%, respectively. For the full year of 2019, volume grew 1.4% when compared to 2018.
- During the quarter we launched the Universal Bottle for multi-serve returnable presentations in the Lima region, achieving mid-single digit volume growth and a 1.1 percentage point increase in the mix of returnables.
- Peru is accelerating the digital transformation, achieving nearly 80% of the salesforce migration to the new IT platform *AC Movil*, thereby reducing points of sale with out-of-stocks, improving the planning of work hours resulting in greater time spent in the market.
- In 4Q19, two pilots were initiated as part of our digital initiatives: the first was for Suggested Orders using advanced analytics, and the second was the launch of the pilot “Brio Light” where the customer can place a direct order through the use of an app.
- In terms of market and value share, we continue to lead throughout our total portfolio; value share remained flat compared to the previous year but grew in the categories of nectars, sport drinks and juices.
- During 4Q19, the Vending business in Peru reported low-single digit growth in sales and double-digit growth in EBITDA, thanks to the logistical work to reduce the cost to serve with efficiencies in costs and expenses.

Ecuador

- In Ecuador, sales volume for the quarter remained flat versus the previous year, mainly due to a decline in flavors of 7.5% and partially offset by increases in colas and single serve water of 2.6% and 4.1%, respectively. In 2019, sales volume remained flat versus 2018.
- At the channel level, the modern channel posted a positive performance with 2.8% growth in 4Q19 mainly driven by commercial initiatives in which dashboards were implemented to identify opportunities and generate greater specialization in execution.
- During the quarter, we introduced the Universal Bottle in Coca-Cola, Fanta and Sprite brands to support our returnability strategy, which resulted in a returnable mix of 21%.
- Ecuador capture more than 15,000 new points of sale, thanks to the incorporation of new market capabilities combined with operating discipline.
- Also in the year, we were awarded with the “Be There” Cup from the Coca-Cola Latin Center. In addition, we received special recognition for being the best operation in terms of market execution and the development of returnable packages.
- In 4Q19, Inalecsa obtained low-single digit growth in volume and mid-single digit growth in EBITDA. These results were achieved as a result of a capturing new customers, innovation through new product launches in the extruded snacks category and pastries; as well as better raw material prices. Last quarter we completed the launch of Tigretón Cookies & Cream flavor and during 4Q19 it grew 12% in sales with mid-single digit growth in market share.



- In 4Q19, Tonicorp reported mid-single digit declines in volume and revenues mainly impacted by the milk and oatmeal categories, partially offset by a solid performance of the high value-added dairy category. Durante 2019, Tonicorp captured efficiencies and savings with innovation initiatives and digital business transformation such as digitalization of the logistics channel.

Argentina

- During 4Q19, sales volume in Argentina declined 5.7%, while for the full year it decreased 12.4%.
- In the fourth quarter, we continued the strategies focused on bringing affordability to consumers, therefore, supported by the investment made in returnable packages with the Universal Bottle, we carried out the launch of Aquarius in 2 Lt presentation, making Argentina the first operation in the Americas with a returnable package in the Stills beverages portfolio.
- We continue our initiative to better serve customers in the interior regions, seeking to increase per capita consumption and standardize our commercial processes. This strategy enabled volume growth of 3.8% in these zones in 2019.
- In 4Q19, in the juice category, we launched new flavors of orangeades under the brand Cepita Fresh, that represents an innovation in the category, which did not exist before in Argentina.
- In 2019, we rolled out of the digital tool *AC Movil* in the territory for sales managers, to speed up the operating process and improve our fundamental indicators while strengthening execution at the point of sale.



RECENT EVENTS

- AC announced consolidated volume growth guidance of approximately 1.0% for 2020, on a comparable basis (excluding jug water).
- In 2020, AC will remain part of the FTSE4Good Emerging Index. AC was added to this index in 2017 which includes the publicly-traded companies that demonstrate a strong commitment to best environmental, social and corporate governance practices in emerging countries.
- The Mexican Stock Exchange (BMV) announced that AC will remain part of the Sustainability and Social Responsibility Index upon having the best international practices in the areas of social and environmental responsibility and corporate governance.
- The BIVA Stock Exchange announced that AC will form part of its new index FTSE4Good BIVA which seeks to offer innovative products to bring the Mexican market closer to achieving the highest international standards in sustainability.
- PetStar, the largest food-grade PET recycling plant in which Arca Continental owns a stake, obtained the Iberoamericano Quality Award in the Gold category, which recognizes companies for their excellence and sustainable management by the quality and innovation of their processes.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on February 14, 2020 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)

	December 31	December 31	Variation	
	2019	2018	MM MXP	%
ASSETS				
Cash and cash equivalents	22,038	15,941	6,097	38.2
Accounts receivable; Net	11,259	13,336	-2,077	-15.6
Inventories	7,948	7,798	150	1.9
Prepayments	563	493	70	14.2
Total Current Assets	41,808	37,568	4,240	11.3
Investments in shares and other investments	8,275	6,970	1,305	18.7
Property, plant and other equipment	71,889	74,079	-2,190	-3.0
Assets right of use	1,177	0	1,177	
Other non current assets	115,747	119,264	-3,517	-2.9
Total Assets	238,895	237,879	1,016	0.4
LIABILITIES				
Short term bank loans	6,761	2,672	4,089	153.0
Suppliers	16,666	16,291	375	2.3
Short term lease	254	0		
Accounts payable and taxes	4,566	4,864	-298	-6.1
Total Current Liabilities	28,247	23,827	4,420	18.5
Bank Loans and long term liabilities	46,500	53,155	-6,654	-12.5
Long term lease	929	0	929	
Deferred income tax and others	21,938	21,368	571	2.7
Total Liabilities	97,615	98,350	-735	-0.7
SHAREHOLDER'S EQUITY				
Non controlled participation	28,509	27,727	782	2.8
Capital Stock	45,727	45,752	-25	-0.1
Retained Earnings	57,496	57,347	149	0.3
Net Profit	9,548	8,703	845	9.7
Total Shareholders' Equity	141,281	139,530	1,751	1.3
Total Liabilities and Shareholders' Equity	238,895	237,879	1,016	0.4



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

	4Q19		4Q18		Variation		Jan-Dec'19		Jan-Dec'18		Variation	
	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%	MM MXP	%
Net Sales	41,409		39,456		1,953	4.9	162,728		155,653		7,075	4.5
Cost of Sales	22,486		22,359		127	0.6	89,654		86,473		3,182	3.7
Gross Profit	18,923		17,097		1,826	10.7	73,073		69,180		3,893	5.6
	45.7%		43.3%				44.9%		44.4%			
Selling Expenses	11,305		10,644		661	6.2	43,920		42,531		1,389	3.3
Administrative Expenses	2,166		2,414		-248	-10.3	8,358		8,281		77	0.9
Total Costs	13,472		13,058		414	3.2	52,278		50,813		1,465	2.9
	32.5%		33.1%				32.1%		32.6%			
Non Recurring Expenses	607		510		97	19.0	1,266		954		313	32.8
Operating Income before other income	4,845		3,530		1,315	37.3	19,529		17,414		2,115	12.1
Other Income (Expenses) ^{1,2}	222		582		-360	-61.9	671		1,157		-486	-42.0
Operating Income	5,067		4,112		955	23.2	20,200		18,571		1,629	8.8
	12.2%		10.4%				12.4%		11.9%			
Interest Expense Net	-653		-963		310	-32.2	-3,348		-3,672		325	-8.8
Exchange Gain (Loss)	-234		79		-312	-396.6	-278		-686		408	-59.5
Monetary position result	-80		245		-325	-132.8	34		245		-211	
Comprehensive Financial Results	-967		-640		-328	51.2	-3,592		-4,113		521	-12.7
Share of net income of associates ³	141		149		-7	-5.0	167		223		-56	-25.1
Earnings Before Taxes	4,241		3,621		620	17.1	16,775		14,681		2,094	14.3
Profit Taxes	1,429		695		734	105.7	5,052		3,860		1,193	30.9
Non-controlling interest	-515		-595		80	-13.4	-2,175		-2,118		-57	2.7
Net Profit	2,296		2,331		-35	-1.5	9,548		8,703		845	9.7
	5.5%		5.9%				5.9%		5.6%			
Depreciation and amortization	2,343		2,189		153	7.0	8,937		7,942		995	12.5
EBITDA	8,016		6,811		1,205	17.7	30,403		27,467		2,936	10.7
EBITDA / Net Sales	19.4%		17.3%				18.7%		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 December 31	
	2019	2018
Earnings Before Taxes	16,775	14,681
Depreciation and amortization	8,937	7,942
Gain on sale and fixed assets impairment	1,576	612
Foreign exchange	244	441
Accrued interests	3,156	3,524
Operating cash flow before taxes	30,688	27,200
Cashflow generated/used in the operation	-1,947	-6,586
Operating cashflow after working capital	28,741	20,614
Investment Activities:		
Capital Expenditures and Investments (Net)	-12,134	-10,483
Financing Activities:		
Dividends paid	-4,058	-3,948
Share repurchase program	-85	-409
Debt amortization	-1,361	1,262
Paid interests	-3,903	-4,257
Acquisition of non-controlling interest	0	-9,623
Other	-812	-242
Net cash flow	-10,219	-17,217
Net increase of cash and equivalents	6,388	-7,086
Change in Cash	-292	-815
Initial cash and equivalents balance	15,941	23,842
Final cash and equivalents balance	22,038	15,941



Additional Financial Information

Information by Segments 4Q19

	Beverage Segments					Other		Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*	Eliminations	
Volume by Segment	303.5	110.0	75.9	34.5	37.4			561.2
Sales by Segment	16,190	13,754	4,474	1,675	3,121	2,587	-392	41,409
<i>Intersegment Sales</i>	-266	0	-39	0	0	-87	392	0
Net Sales from intersegments	15,924	13,754	4,435	1,675	3,121	2,500	0	41,409
<i>Operating Income</i>	2,949	972	734	189	374	-152	0	5,067
EBITDA	3,700	2,008	1,194	334	603	177	0	8,016
EBITDA / Net Sales	23.2%	14.6%	26.9%	19.9%	19.3%	7.1%		19.4%
<i>Non Recurring Expenses</i>	16	337	81	2	22	148	0	607
<i>Depreciation and amortization</i>	735	698	379	143	206	181	0	2,343
<i>Financial Income</i>	548	36	46	-77	5	-3	0	555
<i>Financial Expenses</i>	1,176	116	134	25	59	13	0	1,522
<i>Share of net income of associates</i>	98	44	0	0	0	0	0	141
<i>Earnings Before Taxes</i>	2,419	936	647	86	321	-168	0	4,241
Total Assets	74,928	94,465	43,847	7,741	14,583	12,201	-8,869	238,895
<i>Investment in associates companies</i>	7,422	531	0	321	0	0	0	8,275
Total Liabilities	42,871	32,538	16,997	1,345	5,473	3,638	-5,248	97,615
CAPEX	3,600	5,125	956	552	908	427	0	11,568

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

Information by Segments Jan-Dec'19

	Beverage Segments					Other		Total
	Mexico	USA	Peru	Argentina	Ecuador	Business*	Eliminations	
Volume by Segment	1,260.4	441.2	281.8	114.2	142.7			2,240.3
Sales by Segment	65,161	54,464	16,513	5,582	12,038	10,697	-1,727	162,728
<i>Intersegment Sales</i>	-1,076	0	-150	0	0	-501	1,727	0
Net Sales from intersegments	64,085	54,464	16,363	5,582	12,038	10,196	0	162,728
<i>Operating Income</i>	12,424	4,094	2,142	446	1,172	-78	0	20,200
EBITDA	15,335	7,188	3,794	964	2,231	892	0	30,403
EBITDA / Net Sales	23.9%	13.2%	23.2%	17.3%	18.5%	8.7%		18.7%
<i>Non Recurring Expenses</i>	78	681	179	7	95	225	0	1,266
<i>Depreciation and amortization</i>	2,832	2,413	1,473	511	964	745	0	8,937
<i>Financial Income</i>	2,159	129	224	117	19	7	0	2,656
<i>Financial Expenses</i>	4,436	618	835	129	183	46	0	6,248
<i>Share of net income of associates</i>	124	44	0	0	0	0	0	167
<i>Earnings Before Taxes</i>	10,271	3,649	1,530	434	1,008	-117	0	16,775
Total Assets	74,928	94,465	43,847	7,741	14,583	12,201	-8,869	238,895
<i>Investment in associates companies</i>	7,422	531	0	321	0	0	0	8,275
Total Liabilities	42,871	32,538	16,997	1,345	5,473	3,638	-5,248	97,615
CAPEX	3,600	5,125	956	552	908	427	0	11,568

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



Total Debt AC

	2020	2021	2022	2023	2024	2025	2026	2027	...	2029	...	2032	Total
Debt Maturity Profile	6,700	6,649	5,662	5,775	3,226	1,471	2,291	6,347		7,570		7,570	53,261
% of Total	12.6%	12.5%	10.6%	10.8%	6.1%	2.8%	4.3%	11.9%		14.2%		14.2%	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

	4Q19	4Q18	YoY
MXN	19.35	19.83	-2.4%
PEN	5.75	5.90	-2.4%
ARS	0.33	0.53	-38.3%

	Jan-Dec'19	Jan-Dec'18	YoY
MXN	19.33	19.21	0.6%
PEN	5.79	5.84	-1.0%
ARS	0.41	0.73	-43.3%

End of period exchange rate

	4Q19	3Q19	4Q18
MXN	18.87	19.68	19.66
PEN	5.70	5.84	5.84
ARS	0.32	0.34	0.52

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

