

FEMSA TODAY

June 2022

FEMSA



Safe Harbor Statement

During this presentation management may discuss certain forward-looking statements concerning FEMSA's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact FEMSA's actual performance.



FEMSA's **capability-driven approach to business and value creation** has served us well for over 130 years...



FEMSA was born as a brewery in northern Mexico in 1890. During our first 100 years, we evolved and grew into one of the largest companies in Mexico. Vertical integration enabled us to develop solid expertise not only in brewing, but also in **manufacturing, distribution, and retail.**

Even back then, we saw growth through the development of **key operational capabilities** and the pursuit of **adjacent business opportunities** as a key driver.



FEMSA became a significant participant in the Coca-Cola system before the end of the 20th century. **Coca-Cola FEMSA** first developed **operating and commercial expertise** in Mexico, that allowed us to pursue an aggressive strategy of regional system consolidation.

By 2003, Coca-Cola FEMSA was the largest bottler in the world.



... and **this proven approach will help us create value** well into the future



Launched within our beer business in the 1970s, our proximity retail format **OXXO** also evolved into a formidable growth vehicle for FEMSA.

Combining **large-scale unit growth** with an ever-improving **value proposition**, OXXO today serves a broad range of needs for our customers across several countries, and we have successfully expanded our efforts into **adjacent small formats** like drugstores and fuel stations.



Tying it all together, **logistics and distribution** are at the **core** of our entire business platform, allowing us to serve our millions of ever-evolving customers in a consistently efficient, effective, and differentiated manner.



Today, we are aggressively pursuing **digital capabilities** that will accelerate our business models across FEMSA, from developing **omnichannel platforms** at Coca-Cola FEMSA and our Health Division, to enabling **financial technology applications** and **enhanced customer engagement** at OXXO.



Through the decades, we have found that focusing on **Economic and Social Value** simultaneously, **maximizes the benefit** for all our stakeholders

Economic Value



FEMSA has increased its revenues at a CAGR of 11% during the last 10 years



Today¹, FEMSA generates revenues of US\$29 Bn and has a market capitalization above US\$23 Bn



FEMSA is one of the largest employers in the Americas, with more than 320,000 team members in 13 countries

Social Value



In 1918, FEMSA started providing its employees and their families access to quality health care, decades before government safety nets existed



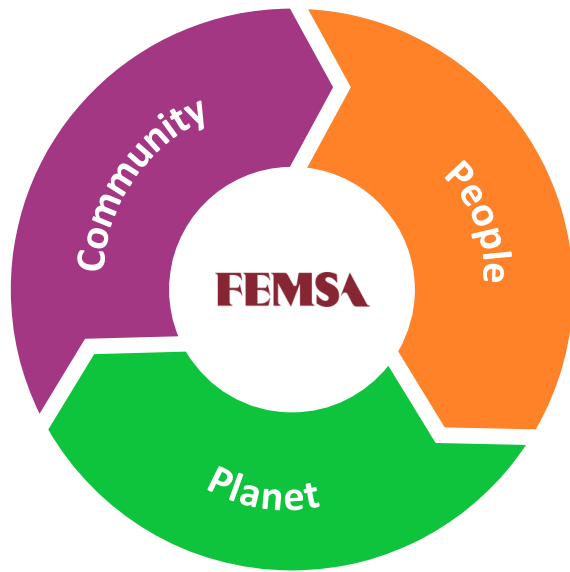
In 1943, FEMSA's leaders founded Tec de Monterrey, which is now the leading university system in Latin America with +92,000 students in 26 campuses





In 2010, FEMSA committed to reach 80% renewable energy sourcing in Mexico, raising the target to 85% of all operations by 2030





We strive to generate **Economic and Social value** through our companies and institutions, with **three core aspirations**:



- 

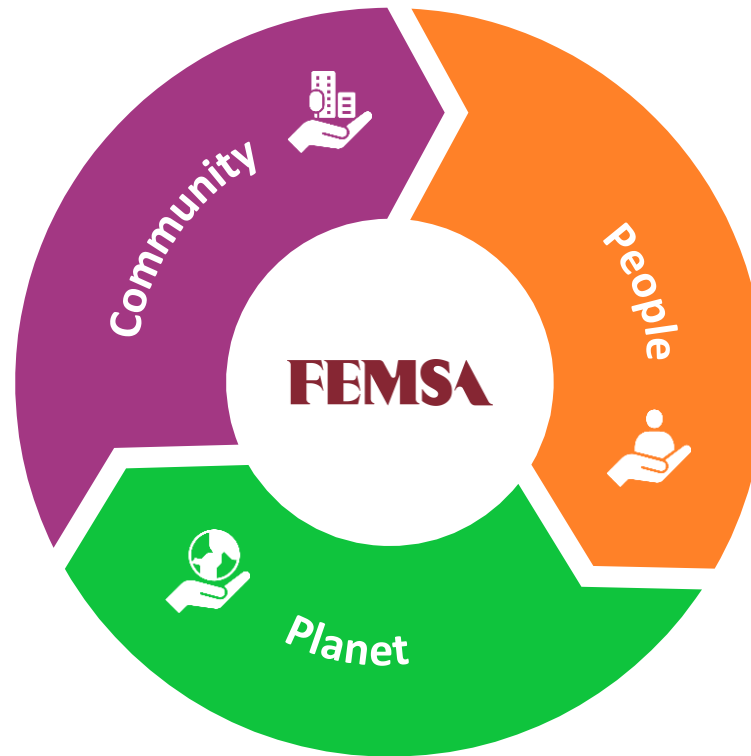
1 Enabling and improving the **communities** we serve through better access and reach of **top products and services** that generate **well-being**. 
- 

2 Focusing on our **people** by creating **good job opportunities**, as well as fostering the comprehensive **growth** of our employees and their families. 
- 

3 Representing a positive force in our society through **sustainable** business activities with a **high social impact**. 



These **core aspirations** motivate and inspire everything we do.



After decades running **complex industrial and commercial operations**, we have developed a set of **key capabilities** that drive our growth and evolution as a company, allowing us to generate **sustainable returns and value creation**.



Our **key capabilities** allow us to design, build and develop **large-scale business models** that enable our customers to **satisfy their daily needs**, in an **efficient and differentiated way**:

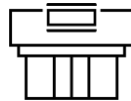


1



We participate in **mass-market, mainstream** industries by providing highly **scalable** products and services.

2



We develop high levels of **capillarity**, allowing us to reach and serve our customers through **frequent interactions**.

3



We rely on effective **operations** and **processes**, enabling **efficient logistics** and **distribution** capabilities.



1 We participate in **mass-market, mainstream** industries by providing highly **scalable products and services**.



Mass-market / Mainstream



Scalable

OXXO's value proposition always evolves, but our main categories are **consumer staples** such as **beer, soft drinks and snacks**.

With over **25,000 locations** in 6 countries, we are the largest small-box retailer in the Americas.

Mass-market / Mainstream



Scalable

Coca-Cola FEMSA's portfolio is comprised of **+1,100 products** quenching the thirst and refreshing **+265 million consumers** across 9 countries

Coca-Cola FEMSA produces and **sells one of every nine** Coca-Cola products in the world, making it the **largest** franchise bottler by volume.

Mass-market / Mainstream



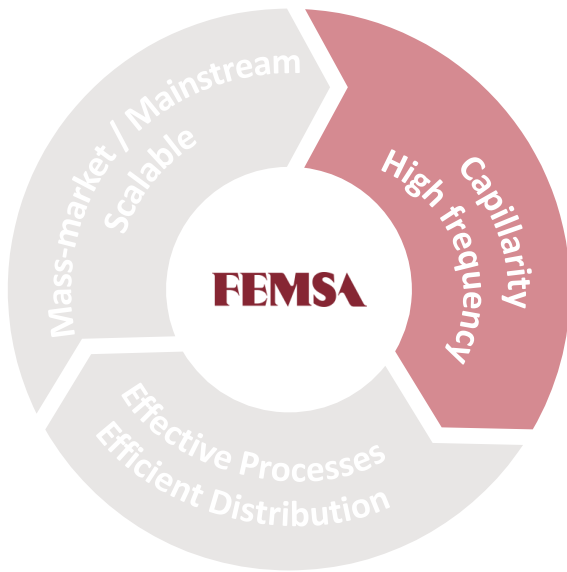
Scalable

Some of our main product categories for distribution in the United States are **paper, foodservice disposables, and cleaning products**.

With our logistics and distribution team, we travel close to **480 million km** every year.




2 We develop **high levels of capillarity**, allowing us to reach and serve our customers through **frequent interactions**.



Capillarity  **High frequency**

OXXO covers +85% of the Mexican population.

We serve over **13 million** customers every day across our retail operations.

Capillarity  **High frequency**

Coca-Cola FEMSA reaches **more than 2.9 million points of sale**, across 9 countries.

Coca-Cola FEMSA interacts with each of its customers **2 to 3** times per week, on average.

Capillarity  **High frequency**

We cover **+160,000 drop points** every week with our logistic platform in Latin America

We deliver merchandise to our clients over **30,000 times per day**.



3 We rely on **effective operations and processes**, enabling **efficient logistics and distribution capabilities**.



Effective Processes



Efficient Distribution

OXXO operates as a **complex system** that relies on **processes and protocols**, enabling the delivery of **consistently high service levels** across its store network.

OXXO Mexico has **grown its SKUs per store over 60%** over the past 10 years, by increasing visits from our **21 DCs** to each store to **2+ per week**.

Effective Processes



Efficient Distribution

Optimizing the **price/package architecture** of such a complex and dynamic portfolio, requires **consistent processes for flawless execution** across markets.

Coca-Cola FEMSA's logistics network is composed of **268** distribution centers and **+16,500** delivery routes that travel the equivalent of **almost 5 times around the world every day**.

Effective Processes



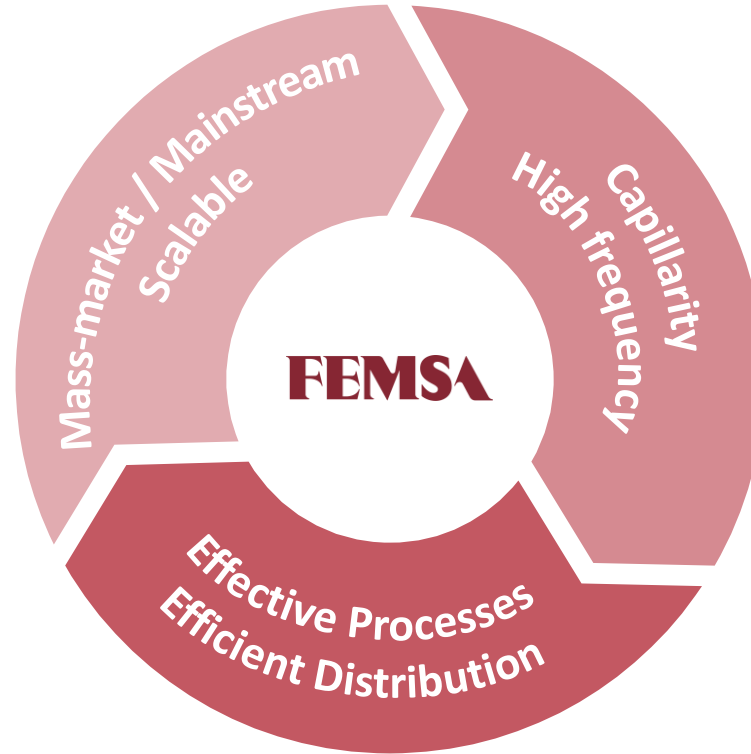
Efficient Distribution

We are developing the processes to **maximize our pricing strategy** across our unified distribution platform in the US, even as we bring **new operations** on board.

We have **+1,000,000 m2 of storage capacity** and close to **6,500 delivery vehicles** to service our customer needs every day.



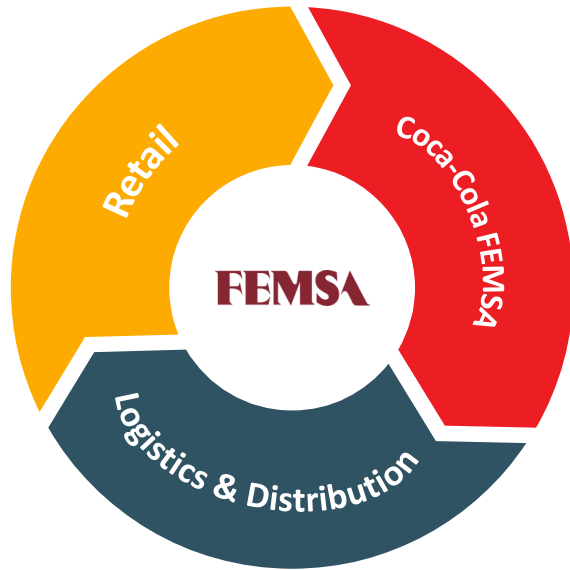
These **key capabilities** inform our strategic decisions, including capital allocation...



...and they are integral to each of **FEMSA's three core operating platforms.**



We operate through **three core platforms**:



Leading **small-box retail** operator in the Americas, with over 24,000 locations across 6 countries.



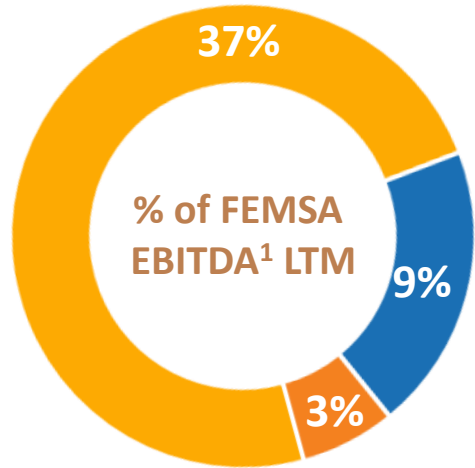
Largest **Coca-Cola bottler** in the world by volume, operating in 9 Latin American countries.



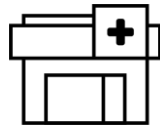
Providing high-quality **third-party logistics** solutions in Latin America, and **specialized distribution** solutions in the United States.



Retail: Applying small-format retail expertise to develop **winning, high-growth value propositions** across Latin America.



- Driving OXXO's **sustained growth** in Mexico and **replicating** its successful business model in South America.
- Building a **consumer-focused digital ecosystem** leveraging our broad physical network in Mexico.



- Building the **leading health, wellness and beauty retail** platform in Latin America.



- Expanding gradually in Mexico, with an **asset-light** business model that generates **attractive returns**.

5-YR LTM
EBITDA CAGR

LTM EBITDA
Margin

15%

15%

25%

10%

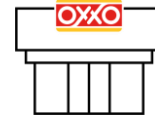
45%

6%

1.- EBITDA: Operating Income + Amortization + Depreciation
As of March 31, 2022.



OXXO is the **one-stop shop** that simplifies life for **more than 13 million consumers every day.**



Today...



Through its **+20,000 locations**, OXXO's **consumer-centric** value proposition evolves constantly, using **incremental insights** to grow and improve assortment, pricing, segmentation, and services.



OXXO has a unique value proposition, offering the **convenience of a corner store** with the **pricing of a big box**, and **over 7,400 services** to make life easier for our customers.



OXXO operates as a **system**, where the stores, the regional offices, the logistics network and the central services office operate in **close coordination**.

...and Tomorrow



OXXO aims to replicate its consumer centric value proposition and operating system to **double in size in the next ten years** across its markets.



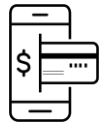
OXXO leverages its **large scale** in Mexico to achieve **above-average margins and returns**, and aims to replicate this in Colombia, Chile, Peru and Brazil¹.



Anchored on its capillarity, OXXO is building a **customer-centric digital ecosystem** to fulfill consumers' **financial needs while rewarding them for their everyday spending**.



Digital: Building a **customer-centric ecosystem** and evolving OXXO's value proposition to include **omnichannel products and services**.



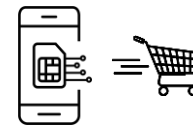
OXXO will play an important role **enabling financial inclusion** in Mexico, helping a large number of under-banked consumers **adopt digital payments** and **obtain light financial services** for the first time.



Now adding **+1.9 million accounts per month**, our loyalty program **OXXO Premia** rewards customers and **drives engagement and sales**, while **generating valuable data** that can be monetized in various ways.



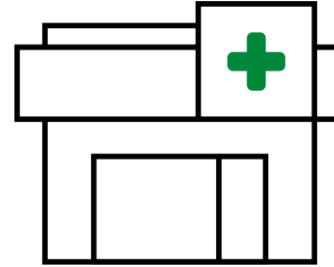
Spin by OXXO, our digital wallet app launched in 2021, is currently adding customers at a rate of approximately **300,000 per month**, reaching **+2.7 million users**¹.



Other developing elements of the ecosystem include **OXXO Cel**, our MVNO, as well as opportunities for **quick commerce** and **fulfillment partnerships**.



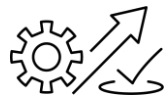
Health: Building the leading health, wellness and beauty retail platform in Latin America.



Today...



Our Health Division is now the **largest drugstore operator** in Latin America, with **more than 3,700 locations** spread across Chile, Colombia, Ecuador and Mexico.



We are combining our growing **scale, operating expertise and the exchange of best practices** across the Division, to reach **new levels** of profitability.

...and Tomorrow



We have **significant growth opportunities** in Colombia, Mexico and Ecuador, anchored by the **stable cash flow** delivery of our operations in Chile.



We are increasingly developing **wellness and beauty** value propositions, a compelling opportunity that remains **underdeveloped** in most of our markets.



OXXO Gas is the leading operator of petrol stations in Mexico, with a value proposition centered on customer service.



Today...



With 569 service stations across 17 states, most of which are **co-located with OXXO stores**, OXXO Gas operates the **largest network** of service stations in Mexico.



We have an **asset-light** approach to this operation, ensuring low capital requirements and **driving returns**.

...and Tomorrow



While unit growth has moderated given high regulatory hurdles, we are focused on continuing **margin expansion** by focusing on **improving the customer experience** and **driving efficiencies**.



We continuously work to **identify new business models** to leverage our scale, such as **institutional sales channels** and alternative fuel stations.



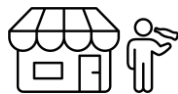
Coca-Cola FEMSA: Positioned to maximize system capabilities and a strong partnership with KO.



Today...



Leveraging **strong Coca-Cola system alignment** to drive growth, develop underserved consumption occasions, and **maximize profitability.**



Driving a **consumer-centric business model** supported by digital tools that enhance **commercial capabilities**, improve **service levels**, and increase **distribution efficiency.**

...and Tomorrow



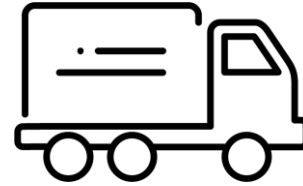
Building an **omnichannel platform** that goes beyond B2B, leveraging digital enablers such as payments and apps.



Developing a **winning portfolio** with more than 300 new product launches every year, maximizing **Coca-Cola brands** and incorporating **new categories** as appropriate.



Logistics and Distribution: Leveraging FEMSA's core capabilities to develop compelling new growth opportunities.



Today...

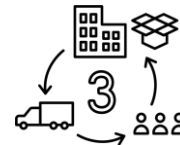


We have built the **leading third-party logistics (3PL)** operation in Latin America, anchored in Mexico, Brazil and Colombia.



In the United States, we are building a **national distribution platform** that specializes in facility supplies, packaging, and foodservice consumables.

...and Tomorrow



By integrating a **full 3PL solution suite**, we are able to **attract new institutional contract logistics customers** across our geographies



Our Logistics and Distribution operations have an **attractive growth runway**, both organic and inorganic.



Beyond our three operating platforms, we have **two important equity investments** that provide **attractive dividend streams and strategic optionality** – consistent with FEMSA’s operational drivers and capabilities.



Ownership

14.8%

TSR¹

+12%

World’s most international brewer with presence in more than 70 countries.



Ownership

<10%

Est. TSR

+25%

Leading wholesale cash & carry foodservice supplier in the United States.

1.- TSR: Total Shareholder Return
Heineken Investment TSR in Euro

FEMSA

