



FEMSA Announces Fourth Quarter and Full Year 2019 Results

February 27, 2020

MONTERREY, Mexico, Feb. 27, 2020 (GLOBE NEWSWIRE) -- Fomento Económico Mexicano, S.A.B. de C.V. ("FEMSA") (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the fourth quarter and full year of 2019.

FINANCIAL HIGHLIGHTS:

- 5.7% revenue growth (3.9% on an organic¹ basis) at FEMSA Consolidated (FY, 7.9%; 5.7%)
- 40 basis points gross margin expansion at FEMSA Comercio's Proximity Division (FY, 150 bps)
- 12.5% revenue growth (-4.8% on an organic¹ basis) at FEMSA Comercio's Health Division (FY, 13.9%; 0.9%)
- 5.2% income from operations growth at FEMSA Comercio's Fuel Division (FY, 19.4%)
- 3.1% revenue growth at Coca-Cola FEMSA (FY, 6.7%; 5.0%)
- Total Capital Expenditures to reach approximately US\$1,500 million in 2020; with more than 60% to be invested in Mexico

FINANCIAL SUMMARY FOR THE FOURTH QUARTER AND FULL YEAR 2019

Change vs. Comparable 2018 Results²

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	4Q19	FY19	4Q19	FY19	4Q19	FY19	4Q19	FY19
FEMSA CONSOLIDATED	5.7%	7.9%	6.1%	9.2%	(0.5%)	6.7%		
FEMSA COMERCIO								
Proximity Division	10.6%	10.4%	11.5%	14.6%	10.1%	11.6%	5.5%	5.0%
Health Division	12.5%	13.9%	11.8%	11.2%	(7.8%)	(1.4%)	(12.2%)	(3.7%)
Fuel Division	(3.2%)	2.0%	(11.3%)	12.9%	5.2%	19.4%	(5.5%)	(4.2%)
COCA-COLA FEMSA	3.1%	6.7%	(0.4%)	4.2%	(13.5%)	2.8%		

Eduardo Padilla, FEMSA's CEO, commented:

"The fourth quarter was an eventful one. OXXO continued to grow at a steady pace in Mexico, and the international operations again performed well. The Health division had a complex quarter driven by disruptions in Chile, but we saw solid progress in every other market, while the Fuel division again delivered profitability gains in a challenging environment. For its part, Coca-Cola FEMSA continued to see good volume trends in Brazil and Central America, and healthy pricing across most of its markets, including Mexico.

As we look at 2020, we see a consumer in Mexico that remains resilient, particularly in the northern part of the country. We are optimistic about Brazil, where we are seeing good performance in our existing operations and have high expectations for our new ventures. And on the strategic front, we are pleased with the opportunities we are being able to invest in, focused always on our operational capabilities and exercising discipline with a view to create long-term value for all our stakeholders."

To obtain the full text of this earnings release, please visit our Investor Relations website at <https://femsa.gcs-web.com/> under the Financial Reports section

FORWARD-LOOKING STATEMENTS

This report may contain certain forward-looking statements concerning our future performance that should be considered as good faith estimates made by us. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact our actual performance.

FEMSA is a company that creates economic and social value through companies and institutions and strives to be the best employer and neighbor to the communities in which it operates. It participates in the retail industry through FEMSA Comercio, comprising a Proximity Division operating OXXO, a small-format store chain, a Health Division, which includes drugstores and related activities, and a Fuel Division, which operates the OXXO GAS chain of retail service stations. In the beverage industry, it participates through Coca-Cola FEMSA, a public bottler of Coca-Cola products; and in the beer industry, as a shareholder of HEINEKEN, a brewer with operations in over 70 countries. Additionally, through its Strategic Businesses unit, it provides logistics, point-of-sale refrigeration solutions and plastics solutions to FEMSA's business units and third-party clients. Through its business units, FEMSA has approximately 300,000 employees in 13 countries. FEMSA is a member of the Dow Jones Sustainability MILA Pacific Alliance, the FTSE4Good Emerging Index and the Mexican Stock Exchange Sustainability Index, among other indexes that evaluate its sustainability performance.

¹ Excludes the effects of significant mergers and acquisitions in the last twelve months.

² Comparable 2018 Results: Starting on the first quarter of 2019, we adopted the International Financial Reporting Standard 16 – “Leases” (“IFRS 16”) across all our business units. The Comparable Results is a set of numbers which estimate the retroactive effect that the adoption of IFRS 16 would have had on FEMSA’s 2018 financial results. The performance comparisons expressed in this document will be made relative to the Comparable Results unless stated otherwise.

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