

# 2Q 2022 Results

July 28, 2022



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## HIGHLIGHTS

**Monterrey, Mexico, July 28, 2022** — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD, FEMSAUB) announced today its operational and financial results for the second quarter of 2022.

- **FEMSA: Total Consolidated Revenues grew 22.2%** against 2Q21, and 30.6% against 2Q19.
- **PROXIMITY: EBITDA margin expanded 80 basis points year-on-year** and 30 bps above the 2Q19 margin to reach 15.3%, **a record for a second quarter.**
- **HEALTH: Same-store sales grew 9.0%** against 2Q21 on a currency-neutral<sup>1</sup> basis.
- **LOGISTICS & DISTRIBUTION: 17.3% organic<sup>2</sup> total revenue growth** compared to 2Q21.
- **DIGITAL: Spin by OXXO reached 3.1 million users (over 61% active<sup>3</sup>)** while **OXXO Premia reached 15.0 million loyalty users (over 68% active<sup>3</sup>)** and a 17% accumulated tender<sup>4</sup>.
- **COCA-COLA FEMSA: Total volume grew 11.9%** against 2Q21, driven by growth across all its geographies.

### Financial Summary for the Second Quarter and First Six Months 2022

Change vs. comparable period

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	2Q22	YTD22	2Q22	YTD22	2Q22	YTD22	2Q22	YTD22
<b>FEMSA Consolidated</b>	22.2%	20.5%	15.3%	16.2%	9.9%	16.0%		
Proximity	18.3%	16.7%	17.1%	17.5%	33.7%	40.9%	15.6%	14.3%
Fuel	32.5%	30.3%	25.2%	24.7%	60.7%	68.3%	25.2%	22.1%
Health	2.5%	3.8%	(1.0%)	3.1%	(13.4%)	6.2%	0.5%	2.0%
<b>Logistics &amp; Distribution</b>	50.2%	49.3%	54.3%	55.3%	40.3%	63.8%		
<b>Coca-Cola FEMSA</b>	19.9%	17.4%	12.0%	12.8%	5.6%	10.4%		

Daniel Rodríguez Cofré, FEMSA’s Chief Executive Officer, commented:

“We had a very strong second quarter across the company, reflecting sound plans and solid execution at every business unit, and continuing with the good momentum that began at the end of last year and has accelerated through the first half of this year. Most of our operations continued to show strong growth and profitability trends, as consumers continued to resume pre-COVID behaviors while making modest adjustments required by the shape of our “new normality” across our different markets.

At Proximity, we recorded the highest-ever EBITDA margin for a second quarter, while Health operations continued to perform well against an increasingly challenging comparison base in Chile. Our Digital efforts made progress in customer acquisition, surpassing 15 million users that are already part of our digital ecosystem, either through Spin by OXXO, OXXO Premia or both. Logistics and Distribution operations also had a good quarter, as facility occupancy trends continued to improve in the United States and we advanced in our cross-selling efforts at Envoy Solutions. And Coca-Cola FEMSA delivered solid top-line growth and successfully navigated a challenging raw material environment, defending profitability.

Halfway through the year our business units are in great shape, and we feel good about our chances to meet our ambitious plans for the full-year and beyond. Beyond our solid organic expansion, we continue to selectively deploy capital along our core business verticals, always driven by our outstanding team of colleagues. We will continue to push ourselves to create long-term value through profitable growth, but also ensuring that the value we create, is shared by all our stakeholders.”

<sup>1</sup> Calculated by translating comparable period figures at the foreign currency exchange rates used in the current period.

<sup>2</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.

<sup>3</sup> Active User for Spin by OXXO: Any user with a balance or that has transacted within the last 56 days.

<sup>3</sup> Active User for OXXO Premia: User that has transacted at least once with OXXO Premia within the last 90 days.

<sup>4</sup> Tender: Accumulated sales with OXXO Premia redemption or accrual / Total OXXO Sales.

# QUARTERLY RESULTS

Results are compared to the same period of previous year

## FEMSA CONSOLIDATED

### 2Q22 Financial Summary

Amounts expressed in millions of Mexican Pesos (Ps.)

	2Q22	2Q21	Var.	Org.
<b>Revenues</b>	167,504	137,058	22.2%	18.9%
<b>Income from Operations</b>	15,355	13,973	9.9%	8.6%
<i>Income from Operations Margin (%)</i>	9.2	10.2	(100 bps)	
<b>Operative Cash Flow (EBITDA)</b>	23,370	21,349	9.5%	8.2%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	14.0	15.6	(160 bps)	
<b>Net Income</b>	7,640	5,255	45.4%	

### Consolidated Net Debt

Amounts expressed in millions of Mexican Pesos (Ps.)

As of June 30, 2022	Ps.	US\$ <sup>3</sup>
<b>Cash</b>	105,900	5,264
<b>Short-term debt</b>	17,023	846
<b>Long-term debt<sup>4</sup></b>	158,995	7,903
<b>Net debt<sup>4</sup></b>	70,118	3,485

**Total revenues** increased 22.2% in 2Q22 compared to 2Q21, driven by growth across our business units. On an organic<sup>1</sup> basis, total revenues increased 18.9%.

**Gross profit** increased 15.3%. Gross margin contracted 220 basis points, reflecting margin contractions at Coca-Cola FEMSA and the Proximity, Health and Fuel operations, partially offset by margin expansion at the Logistics & Distribution business.

**Income from operations** increased 9.9%. On an organic<sup>1</sup> basis, income from operations increased 8.6%. Consolidated operating margin decreased 100 basis points to 9.2% of total revenues, reflecting margin expansion at the Proximity and Fuel Divisions offset by margin contractions at Coca-Cola FEMSA, FEMSA's Health Division and the Logistics & Distribution business.

Our **effective income tax rate** was 38.0% in 2Q22 compared to 43.8% in 2Q21. Our **income tax** was Ps. 4,668 million in 2Q22.

**Net consolidated income** was Ps. 7,640 million, reflecting: i) higher income from operations; ii) a decrease in net interest expenses; and iii) a non-cash foreign exchange gain related to FEMSA's U.S. dollar-denominated cash position as impacted by the depreciation of the Mexican peso, which represented a positive swing of Ps. 2,596 million, during the quarter. This was partially offset by a decrease in our participation in associates' results, reflecting the recognition of the best estimate, extraordinary impairment and other non-cash exceptional charges announced by Heineken, in connection with their decision to exit its operations in Russia, and by a Ps. 799 million negative swing in other non-operating expenses, which reflect a demanding comparison base that included dividends received during 2Q21 from our investment in Jetro Restaurant Depot.

**Net majority income** was Ps. 1.46 per FEMSA Unit<sup>2</sup> and US\$0.72 per FEMSA ADS.

**Capital expenditures** amounted to Ps. 6,296 million, driven by the reactivation of ongoing investment activities at most of our business units.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.

<sup>2</sup> FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of June 30, 2022 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

<sup>3</sup> The exchange rate published by the Federal Reserve Bank of New York for June 30, 2022 was 20.1180 MXN per USD.

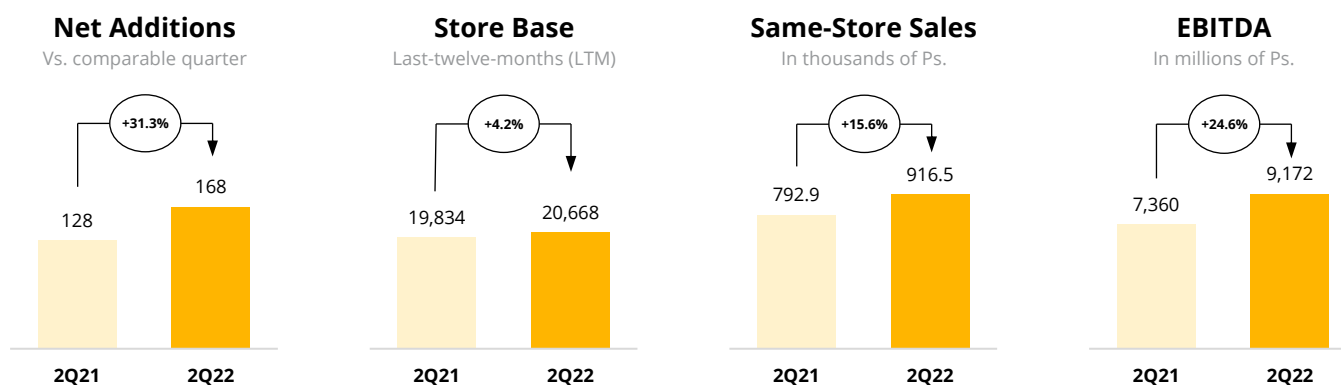
<sup>4</sup> Includes the effect of derivative financial instruments on long-term debt. Excludes long-term leases.



## 2Q22 Financial Summary

Amounts expressed in millions of Mexican Pesos (Ps.) except same-store sales

	2Q22	2Q21	Var.	Org.
<b>Same-store sales (thousands of Ps.)</b>	916.5	792.9	15.6%	
<b>Revenues</b>	60,136	50,850	18.3%	17.5%
<b>Income from Operations</b>	6,110	4,569	33.7%	36.0%
<i>Income from Operations Margin (%)</i>	10.2	9.0	120 bps	
<b>Operative Cash Flow (EBITDA)</b>	9,172	7,360	24.6%	25.3%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	15.3	14.5	80 bps	



**Total revenues** increased 18.3% in 2Q22 compared to 2Q21. On an organic<sup>1</sup> basis, total revenues increased 17.5%, reflecting a 15.6% average same-store sales increase, driven by 11.8% growth in average customer ticket and an increase of 3.4% in store traffic. These figures reflect the strong performance of the *gathering* consumer occasion, including beer, snacks and spirits, as well as the sustained recovery of mobility-driven occasions. During the quarter OXO's store base expanded by 168 units to reach 834 total net store additions for the last twelve months. This includes 120 stores from our acquisition of OK Market in Chile, as well as an offset of 50 net stores temporarily closed for remodeling. As of June 30, 2022, the Proximity Division had a total of 20,668 OXO stores.

**Gross profit** reached 41.2% of total revenues, reflecting a decrease in commercial income activity and promotional programs in connection with the scarcity of certain SKUs in key categories, such as beer and snacks, among others.

**Income from operations** amounted to 10.2% of total revenues, driven by higher operating leverage. Operating expenses increased 12.6% to Ps. 18,653 million, below revenues, reflecting enduring expense efficiencies and tight expense control, partially offset by our continuing initiative to gradually shift from commission-based store teams to employee-based teams.

### Grupo Nós<sup>2</sup>

Total Revenues for the period grew 150% year-over-year, reaching R\$116.1 million<sup>3</sup>. This figure reflects the successful evolution and expansion of the OXO and Shell Select value propositions, as well as the addition of 173 net new stores for the last twelve months. As of June 30, 2022, the store network of Grupo Nós included 1,374 stores in Brazil, including 128 company owned and operated OXO stores.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.

<sup>2</sup> OXO's non-consolidated joint-venture with Raízen in Brazil.

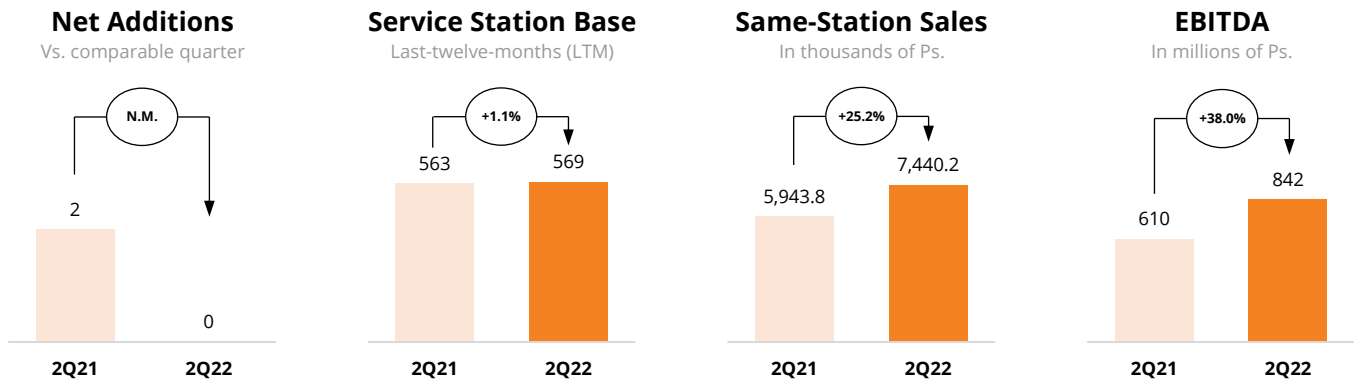
<sup>3</sup> The exchange rate published by the Federal Reserve Bank of New York for June 30, 2022 was 5.2196 BRL per USD.



## 2Q22 Financial Summary

Amounts expressed in millions of Mexican Pesos (Ps.) except same-station sales

	2Q22	2Q21	Var.
<b>Same-station sales (thousands of Ps.)</b>	7,440.2	5,943.8	25.2%
<b>Revenues</b>	13,220	9,974	32.5%
<b>Income from Operations</b>	572	356	60.7%
<i>Income from Operations Margin (%)</i>	4.3	3.6	70 bps
<b>Operative Cash Flow (EBITDA)</b>	842	610	38.0%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	6.4	6.1	30 bps



**Total revenues** increased 32.5% in 2Q22 compared to 2Q21, reflecting a 25.2% average same-station sales increase, driven by 16.3% growth in average volume and 7.6% increase in the average price per liter, as well as volume growth in our institutional and wholesale customer network, coupled with an undemanding comparison base affected by reduced vehicle mobility in connection with the COVID-19 pandemic in 2Q21. During the quarter, the OXXO Gas network remained flat at 569 points of sale as of June 30, 2022. This figure reflects the addition of 6 total net stations for the last twelve months.

**Gross profit** was 12.3% of total revenues, reflecting a negative mix impact driven by volume growth in our institutional and wholesale customer network.

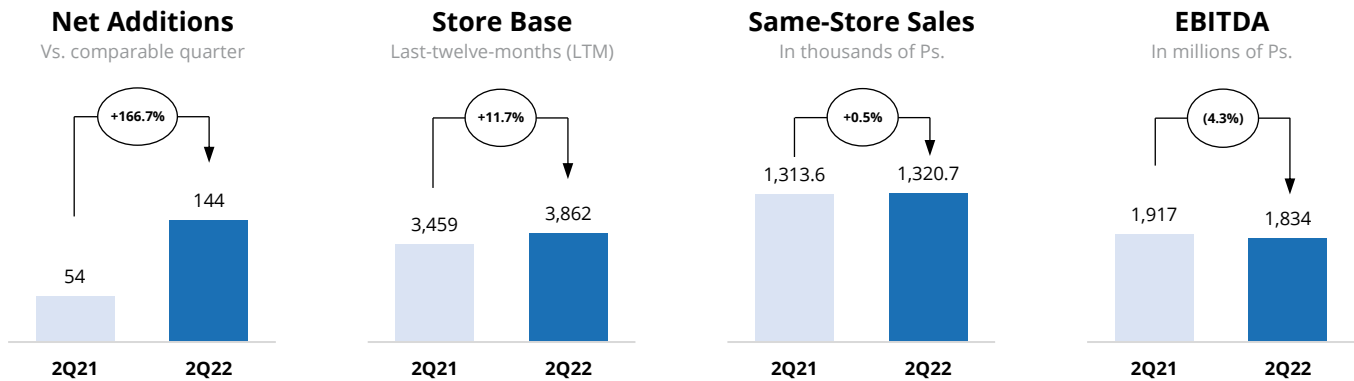
**Income from operations** amounted to 4.3% of total revenues. Operating expenses increased 11.8% to Ps. 1,052 million, below revenues, reflecting tight expense control and positive operating leverage.



## 2Q22 Financial Summary

Amounts expressed in millions of Mexican Pesos (Ps.) except same-store sales

	2Q22	2Q21	Var.
<b>Same-store sales (thousands of Ps.)</b>	1,320.7	1,313.6	0.5%
<b>Revenues</b>	18,844	18,377	2.5%
<b>Income from Operations</b>	915	1,056	(13.4%)
<i>Income from Operations Margin (%)</i>	4.9	5.7	(80 bps)
<b>Operative Cash Flow (EBITDA)</b>	1,834	1,917	(4.3%)
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	9.7	10.4	(70 bps)



**Total revenues** increased 2.5% in 2Q22 compared to 2Q21, mainly reflecting positive trends across our operations, partially offset by a demanding comparison base in Chile, and by a negative currency translation effect related to the depreciation of the Chilean and Colombian pesos relative to the Mexican peso. During the quarter, the Health Division's store base expanded by 144 units reaching a total of 3,862 points of sale across its territories as of June 30, 2022. This figure reflects the addition of 403 net stores for the last twelve months. Same-store sales for drugstores increased an average of 0.5%, reflecting the revenue drivers described above. On a currency-neutral<sup>1</sup> basis, total revenues increased 12.5% while same-store sales increased by 9.0%.

**Gross profit** represented 28.5% of total revenues, reflecting: i) improved terms with our key supplier partners in Mexico; and ii) improved efficiency and more effective collaboration and execution with key supplier partners across our operations. These were offset by an extraordinary inventory write-down recorded at our institutional channel business in Chile, during the quarter

**Income from operations** amounted to 4.9% of total revenues. Operating expenses increased 1.9% to Ps. 4,463 million, below revenue growth, reflecting the strong organic growth of this division during the last twelve months, partially offset by tight expense control and efficiency gains across our operations.

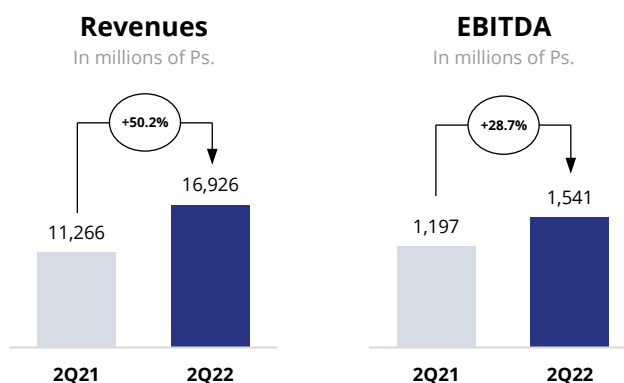
<sup>1</sup> Calculated by translating comparable period figures at the foreign currency exchange rates used in the current period.



### 2Q22 Financial Summary

Amounts expressed in millions of Mexican Pesos (Ps.)

	2Q22	2Q21	Var.	Org.
<b>Revenues</b>	16,926	11,266	50.2%	17.3%
<b>Income from Operations</b>	822	586	40.3%	(3.0%)
<i>Income from Operations Margin (%)</i>	4.9	5.2	(30 bps)	
<b>Operative Cash Flow (EBITDA)</b>	1,541	1,197	28.7%	5.8%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	9.1	10.6	(150 bps)	



**Total revenues** increased 50.2% in 2Q22 compared to 2Q21. On an organic<sup>1</sup> basis, total revenues increased 17.3%, reflecting better trends in several categories in the United States, particularly facility supplies distribution as occupancy and attendance rates improve in the office sector, coupled with positive trends at our warehouse management operations in Latin America.

**Gross profit** represented 22.5% of total revenues, reflecting a positive mix effect driven by the strong growth of our United States operations which have a higher structural gross margin level.

**Income from operations** represented 4.9% of total revenues. Operating expenses increased 58.7% to Ps. 2,986 million, reflecting the inorganic expansion of our distribution platform in the United States, coupled with increased transportation and labor costs across markets. This was partially offset by greater efficiencies and positive operating leverage at Envoy Solutions.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.

## RESULTS FOR THE FIRST SIX MONTHS OF 2022

Results are compared to the same period of previous year

### FEMSA CONSOLIDATED

#### Financial Summary for the First Six Months

Amounts expressed in millions of Mexican Pesos (Ps.)

	2022	2021	Var.	Org.
<b>Revenues</b>	315,269	261,556	20.5%	17.2%
<b>Income from Operations</b>	27,267	23,498	16.0%	14.2%
<i>Income from Operations Margin (%)</i>	8.6	9.0	(40 bps)	
<b>Operative Cash Flow (EBITDA)</b>	43,095	38,326	12.4%	11.0%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	13.7	14.7	(100 bps)	
<b>Net Income</b>	13,504	11,514	17.3%	

**Total revenues** increased 20.5%. On an organic basis,<sup>1</sup> total revenues increased 17.2% reflecting growth across all operations.

**Gross profit** increased 16.2%. Gross margin decreased 140 basis points to 37.0% of total revenues, reflecting gross margin expansion at FEMSA's Proximity Division and the Logistics & Distribution business, offset by contractions at Coca-Cola FEMSA and FEMSA's Health and Fuel operations.

**Income from operations** increased 16.0%. On an organic basis,<sup>1</sup> income from operations increased 14.2%. Our consolidated operating margin decreased 40 basis points to 8.6% of total revenues, reflecting margin expansion at FEMSA's Proximity, Health Fuel and Logistics & Distribution operations, offset by margin a contraction at Coca-Cola FEMSA.

**Net consolidated income** increased to Ps. 13,504 million, reflecting: i) higher income from operations at all our business units; ii) a decrease in net interest expenses. These were partially offset by a non-cash foreign exchange loss related to FEMSA's U.S. dollar-denominated cash position as impacted by the appreciation of the Mexican peso and by other non-operating expenses which reflect a demanding comparison base that included dividends received from our investment in Jetro Restaurant Depot.

**Net majority income** per FEMSA Unit<sup>2</sup> was Ps.2.57 (US\$1.28 per ADS).

**Capital expenditures** amounted to Ps. 12,065 million, reflecting the reactivation of ongoing investment activities at most of our business units.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.

<sup>2</sup> FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of June 30, 2022 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.





### Financial Summary for the First Six Months

Amounts expressed in millions of Mexican Pesos (Ps.) except same-store sales

	2022	2021	Var.	Org.
<b>Same-store sales (thousands of Ps.)</b>	841.8	736.6	14.3%	
<b>Revenues</b>	110,054	94,268	16.7%	16.4%
<b>Income from Operations</b>	9,837	6,980	40.9%	42.4%
<i>Income from Operations Margin (%)</i>	8.9	7.4	150 bps	
<b>Operative Cash Flow (EBITDA)</b>	15,802	12,556	25.9%	26.3%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	14.4	13.3	110 bps	

**Total revenues** increased 16.7%. On an organic<sup>1</sup> basis, total revenues increased 16.4%. OXO's same-store sales increased an average of 14.3%, driven by a 11.3% increase in average customer ticket, coupled with a 2.6% increase in store traffic.

**Gross profit** reached 41.1% of total revenues.

**Income from operations** amounted to 8.9% of total revenues, reflecting long-lasting operating efficiencies. Operating expenses increased 12.3% to Ps. 35,417 million.



### Financial Summary for the First Six Months

Amounts expressed in millions of Mexican Pesos (Ps.) except same-station sales

	2022	2021	Var.
<b>Same-station sales (thousands of Ps.)</b>	6,741.7	5,522.4	22.1%
<b>Revenues</b>	24,115	18,509	30.3%
<b>Income from Operations</b>	949	564	68.3%
<i>Income from Operations Margin (%)</i>	3.9	3.0	90 bps
<b>Operative Cash Flow (EBITDA)</b>	1,491	1,044	42.8%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	6.2	5.6	60 bps

**Total revenues** increased 30.3%. Same-station sales increased an average of 22.1%, reflecting a 7.9% increase in the average price per liter, coupled with a 13.1% increase in average volume.

**Gross profit** reached 12.3% of total revenues.

**Income from operations** amounted to 3.9% of total revenues. Operating expenses increased 11.1% to Ps. 2,015 million.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.



### Financial Summary for the First Six Months

Amounts expressed in millions of Mexican Pesos (Ps.) except same-store sales

	2022	2021	Var.
<b>Same-store sales (thousands of Ps.)</b>	1,331.8	1,305.9	2.0%
<b>Revenues</b>	37,500	36,127	3.8%
<b>Income from Operations</b>	1,982	1,866	6.2%
<i>Income from Operations Margin (%)</i>	5.3	5.2	10 bps
<b>Operative Cash Flow (EBITDA)</b>	3,834	3,550	8.0%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	10.2	9.8	40 bps

**Total revenues** increased by 3.8%. Same-store sales for drugstores increased by an average of 2.0%, reflecting positive trends in our Mexican, Chilean, and Colombian operations, partially offset by a still challenging economic environment in Ecuador, and by the depreciation of the Chilean and Colombian pesos, against the Mexican peso.

**Gross profit** reached 28.9% of total revenues.

**Income from operations** amounted to 5.3% of total revenues. Operating expenses increased 2.4% to Ps. 8,847 million.

### LOGISTICS & DISTRIBUTION



### Financial Summary for the First Six Months

Amounts expressed in millions of Mexican Pesos (Ps.)

	2022	2021	Var.	Org.
<b>Revenues</b>	32,959	22,074	49.3%	14.8%
<b>Income from Operations</b>	1,561	953	63.8%	14.7%
<i>Income from Operations Margin (%)</i>	4.7	4.3	40 bps	
<b>Operative Cash Flow (EBITDA)</b>	2,882	2,162	33.3%	11.0%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	8.7	9.8	(110 bps)	

**Total revenues** increased 49.3%. On an organic<sup>1</sup> basis, total revenues increased 14.8%, reflecting positive demand dynamics in our operations in Latin America, coupled with robust recovery trends and effective cross-selling initiatives at Envoy Solutions operations in the United States.

**Gross profit** reached 22.7% of total revenues, reflecting an increasing contribution of our United States distribution operations which command a higher gross margin level, partially offset by an increased fuel and leasing costs in our Latin America operations.

**Income from operations** represented 4.7% of total revenues. Operating expenses increased 53.4% to Ps. 5,926 million, reflecting strong inorganic growth at our distribution operations in the United States.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months.



Coca-Cola FEMSA's financial results and discussion thereof are incorporated by reference from Coca-Cola FEMSA's press release, which is attached to this press release or may be accessed by visiting [coca-colafemsa.com](http://coca-colafemsa.com).

## RECENT DEVELOPMENTS

- On July 5, 2022, FEMSA announced that it an all-cash offer to purchase all of the publicly held shares of Valora Holding AG ("Valora") for CHF 260.00 per share. This is equivalent to a premium of 57.3% to the volume-weighted average share price of the last 60 trading days and 52.0% to the Valora closing share price on July 4, 2022.
  - Based on an external fairness opinion, the Valora Board of Directors unanimously recommended that shareholders accept the offer by FEMSA.
  - Valora's largest individual shareholder owning a stake of approximately 17%, supports the offer and is undertaking to tender all of his shares as part of this offer.
  - FEMSA will fund the up to USD 1.2 billion / CHF 1.1 billion all-cash acquisition with available cash on hand.
- On July 26, 2022 FEMSA published the Offer Prospectus for a cash public tender offer ("Offer") by FEMSA's wholly owned subsidiary Impulsora de Marcas e Intangibles, S.A. de C.V. to acquire all publicly held shares of Valora Holding AG at a price of CHF 260.00 net in cash per share as pre-announced on July 5, 2022. The Offer Prospectus is available on [www.femsa.gcs-web.com/valora-transaction](http://www.femsa.gcs-web.com/valora-transaction)
- During the second quarter of 2022, FEMSA through Envoy Solutions completed the following acquisitions in the United States, which recorded aggregated sales for approximately US\$ 450 million per year prior to their acquisition:
  - Sigma Supply of North America Inc.
  - American Paper & Supply Inc.
  - Hughes Enterprises, Inc.

## CONFERENCE CALL INFORMATION

Our Second Quarter 2022 Conference Call will be held on: Thursday, July 28, 2022, 10:00 AM Eastern Time (9:00 AM Mexico City Time). The conference call will be webcast live through streaming audio.

**Telephone:** Toll Free US: (800) 289 0720  
International: +1 (323) 701 0160

**Webcast:** <https://edge.media-server.com/mmc/p/47nhgxtr>

**Conference ID:** 7089133

If you are unable to participate live, the conference call audio will be available on <https://femsa.gcs-web.com/financial-reports/quarterly-results>

### ABOUT FEMSA

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 a Proximity Division operating OXXO, a small-format store chain, and OXXO Gas, a chain of retail service stations; through a Health Division, which includes drugstores and related activities; and through FEMSA's Digital Division, which includes Spin by OXXO and OXXO Premia, among other loyalty and digital financial services initiatives. In the beverage industry, it participates through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world by volume; and in the beer industry, as the second largest shareholder of Heineken, one of the world's leading brewers with operations in over 70 countries. FEMSA also participates in the logistics and distribution industry through its Strategic Business Unit, which additionally provides point-of-sale refrigeration and plastic solutions to its business units and third-party clients. Across its business units, FEMSA has more than 320,000 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.

The translations of Mexican pesos into US dollars are included solely for the convenience of the reader, using the noon buying rate for Mexican pesos as published by the Federal Reserve Bank of New York on June 30, 2022, which was 20.1180 Mexican pesos per US dollar.

### 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.

Eight pages of tables and Coca-Cola FEMSA's press release to follow

## FEMSA – Consolidated Income Statement

Amounts expressed in millions of Mexican Pesos (Ps.)

	For the second quarter of:						For the six months of:					
	2022	% of rev.	2021	% of rev.	% Var.	% Org. <sup>(A)</sup>	2022	% of rev.	2021	% of rev.	% Var.	% Org. <sup>(A)</sup>
Total revenues	167,504	100.0	137,058	100.0	22.2	18.9	315,269	100.0	261,556	100.0	20.5	17.2
Cost of sales	105,408	62.9	83,200	60.7	26.7		198,645	63.0	161,156	61.6	23.3	
Gross profit	62,096	37.1	53,858	39.3	15.3		116,624	37.0	100,400	38.4	16.2	
Administrative expenses	7,699	4.6	6,573	4.8	17.1		14,998	4.8	12,404	4.7	20.9	
Selling expenses	38,836	23.2	33,175	24.2	17.1		74,146	23.5	64,069	24.5	15.7	
Other operating expenses (income), net <sup>(1)</sup>	206	0.1	137	0.1	50.4		213	0.1	429	0.2	(50.3)	
Income from operations <sup>(2)</sup>	15,355	9.2	13,973	10.2	9.9	8.6	27,267	8.6	23,498	9.0	16.0	14.2
Other non-operating expenses (income)	234		(565)		(141.4)		104		(1,003)		(110.4)	
Interest expense	4,197		4,878		(14.0)		8,144		8,714		(6.5)	
Interest income	787		283		178.1		1,526		543		181.0	
Interest expense, net	3,410		4,595		(25.8)		6,618		8,171		(19.0)	
Foreign exchange loss (gain)	(111)		2,485		(104.5)		1,422		961		48.0	
Other financial expenses (income), net	(477)		(107)		N.S.		317		(261)		N.S.	
Financing expenses, net	2,822		6,973		(59.5)		8,357		8,871		(5.8)	
Income before income tax and participation in associates results	12,299		7,565		62.6		18,806		15,630		20.3	
Income tax	4,668		3,311		41.0		6,697		5,970		12.2	
Participation in associates results <sup>(3)</sup>	9		1,001		(99.1)		1,395		1,854		(24.8)	
Consolidated net income (Loss)	7,640		5,255		45.4		13,504		11,514		17.3	
Net majority income	5,208		3,082		69.0		9,211		7,647		20.5	
Net minority income	2,432		2,173		11.9		4,293		3,867		11.0	
<b>Operative Cash Flow &amp; CAPEX</b>	<b>2022</b>	<b>% of rev.</b>	<b>2021</b>	<b>% of rev.</b>	<b>% Inc.</b>	<b>% Org.<sup>(A)</sup></b>	<b>2022</b>	<b>% of rev.</b>	<b>2021</b>	<b>% of rev.</b>	<b>% Inc.</b>	<b>% Org.<sup>(A)</sup></b>
Income from operations	15,355	9.2	13,973	10.2	9.9	8.6	27,267	8.6	23,498	9.0	16.0	14.2
Depreciation	6,702	4.0	6,221	4.5	7.7		13,182	4.2	12,428	4.8	6.1	
Amortization & other non-cash charges	1,313	0.8	1,155	0.9	13.7		2,646	0.9	2,400	0.9	10.3	
Operative cash flow (EBITDA)	23,370	14.0	21,349	15.6	9.5	8.2	43,095	13.7	38,326	14.7	12.4	11.0
CAPEX	6,296		5,172		21.7		12,065		8,526		41.5	

<sup>(A)</sup> Organic basis (% Org.) excludes the effects of significant mergers and acquisitions in the last twelve months.

<sup>(1)</sup> Other operating expenses (income), net = other operating expenses (income) +/- equity method from operated associates.

<sup>(2)</sup> Income from operations = gross profit – administrative and selling expenses – other operating expenses (income), net.

<sup>(3)</sup> Mainly represents the equity method participation in Heineken's and Grupo Nós results, net.

<sup>(4)</sup> At the end of June, the CAPEX effectively paid is equivalent to \$12,048M.

## FEMSA – Consolidated Balance Sheet

Amounts expressed in millions of Mexican Pesos (Ps.)

ASSETS	Jun-22	Dic-21	% Inc.
Cash and cash equivalents	105,900	97,407	8.7
Investments	22	24,415	(99.9)
Accounts receivable	37,494	33,898	10.6
Inventories	54,854	50,896	7.8
Other current assets	32,542	24,102	35.0
Total current assets	230,812	230,718	0.0
Investments in shares	101,022	107,299	(5.9)
Property, plant and equipment, net	118,314	115,147	2.8
Right of use	58,326	56,994	2.3
Intangible assets <sup>(1)</sup>	164,648	158,138	4.1
Other assets	60,523	69,204	(12.5)
<b>TOTAL ASSETS</b>	<b>733,645</b>	<b>737,500</b>	<b>(0.5)</b>

LIABILITIES & STOCKHOLDERS' EQUITY	Jun-22	Dic-21	% Inc.
Bank loans	1,431	2,003	(28.6)
Current maturities of long-term debt	15,592	2,637	N.S.
Interest payable	1,789	1,968	(9.1)
Current maturities of long-term leases	7,552	7,306	3.4
Operating liabilities	137,560	122,809	12.0
Total current liabilities	163,924	136,723	19.9
Long-term debt <sup>(2)</sup>	158,995	179,857	(11.6)
Long-term leases	56,809	55,048	3.2
Laboral obligations	7,878	7,600	3.7
Other liabilities	25,198	23,155	8.8
Total liabilities	412,804	402,383	2.6
Total stockholders' equity	320,841	335,117	(4.3)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>733,645</b>	<b>737,500</b>	<b>(0.5)</b>

### June 30, 2022

DEBT MIX <sup>(2)</sup>	% of Total	Average Rate
Denominated in:		
Mexican pesos	38.2%	7.8%
U.S. Dollars	29.5%	3.3%
Euros	22.6%	1.1%
Colombian pesos	1.0%	7.4%
Argentine pesos	0.1%	39.4%
Brazilian reais	7.2%	10.5%
Chilean pesos	0.6%	5.4%
Uruguayan Pesos	0.7%	6.7%
Guatemalan Quetzal	0.0%	0.0%
<b>Total debt</b>	<b>100.0%</b>	<b>5.2%</b>
Fixed rate <sup>(2)</sup>	88.3%	
Variable rate <sup>(2)</sup>	11.7%	

DEBT MATURITY PROFILE	2023	2024	2025	2026	2027	2028+
<b>% of Total Debt</b>	1.2%	6.2%	1.5%	1.1%	1.4%	88.6%

<sup>(1)</sup> Includes mainly the intangible assets generated by acquisitions.

<sup>(2)</sup> Includes the effect of derivative financial instruments on long-term debt.

## Proximity Division – Results of Operations

Amounts expressed in millions of Mexican Pesos (Ps.)

	For the second quarter of:						For the six months of:					
	2021	% of rev.	2020	% of rev.	% Var.	% Org. <sup>(A)</sup>	2021	% of rev.	2020	% of rev.	% Var.	% Org. <sup>(1)</sup>
Total revenues	60,136	100.0	50,850	100.0	18.3	17.5	110,054	100.0	94,268	100.0	16.7	16.4
Cost of sales	35,373	58.8	29,712	58.4	19.1		64,800	58.9	55,756	59.1	16.2	
Gross profit	24,763	41.2	21,138	41.6	17.1		45,254	41.1	38,512	40.9	17.5	
Administrative expenses	1,570	2.6	1,579	3.1	(0.6)		2,876	2.6	2,805	3.0	2.5	
Selling expenses	17,010	28.3	14,930	29.4	13.9		32,422	29.5	28,596	30.4	13.4	
Other operating expenses (income), net	73	0.1	60	0.1	21.7		119	0.1	131	0.1	(9.2)	
Income from operations	6,110	10.2	4,569	9.0	33.7	36.0	9,837	8.9	6,980	7.4	40.9	42.4
Depreciation	2,734	4.5	2,572	5.1	6.3		5,400	4.9	5,140	5.5	5.1	
Amortization & other non-cash charges	328	0.6	219	0.4	49.8		565	0.6	436	0.4	29.6	
Operative cash flow (EBITDA)	9,172	15.3	7,360	14.5	24.6	25.3	15,802	14.4	12,556	13.3	25.9	26.3
CAPEX	2,038		1,730		17.8		3,790		3,038		24.8	

### Information of OXXO Stores

<b>Total stores</b>							<b>20,668</b>		<b>19,834</b>			4.2
Stores Mexico							20,196		19,566			3.2
Stores South America							472		268			76.1
Net new convenience stores:												
vs. Last quarter	168		128		31.3							
Year-to-date	237		268		(11.6)							
Last-twelve-months	834		276		202.2							
Same-store data: <sup>(1)</sup>												
Sales (thousands of pesos)	916.5		792.9		15.6		841.8		736.6			14.3
Traffic (thousands of transactions)	18.3		17.7		3.4		17.4		16.9			2.6
Ticket (pesos)	50.1		44.8		11.8		48.5		43.5			11.3

<sup>(A)</sup> Organic basis (% Org.) excludes the effects of significant mergers and acquisitions in the last twelve months.

<sup>(1)</sup> Monthly average information per store, considering same stores with more than twelve months of operations, income from services are included.

## Fuel – Results of Operations

Amounts expressed in millions of Mexican Pesos (Ps.)

	For the second quarter of:					For the six months of:				
	2022	% of rev.	2021	% of rev.	% Var.	2022	% of rev.	2021	% of rev.	% Var.
Total revenues	13,220	100.0	9,974	100.0	32.5	24,115	100.0	18,509	100.0	30.3
Cost of sales	11,596	87.7	8,677	87.0	33.6	21,151	87.7	16,132	87.2	31.1
Gross profit	1,624	12.3	1,297	13.0	25.2	2,964	12.3	2,377	12.8	24.7
Administrative expenses	57	0.4	84	0.8	(32.1)	90	0.4	147	0.8	(38.8)
Selling expenses	1,002	7.7	855	8.6	17.2	1,933	8.0	1,672	9.0	15.6
Other operating expenses (income), net	(7)	(0.1)	2	-	N.S.	(8)	-	(6)	-	33.3
Income from operations	572	4.3	356	3.6	60.7	949	3.9	564	3.0	68.3
Depreciation	256	1.9	247	2.5	3.6	518	2.1	476	2.6	8.8
Amortization & other non-cash charges	14	0.2	7	-	100.0	24	0.2	4	-	N.S.
Operative cash flow (EBITDA)	842	6.4	610	6.1	38.0	1,491	6.2	1,044	5.6	42.8
CAPEX	(0)		82		(100.4)	36		169		(78.6)

### Information of OXXO GAS Service Stations

<b>Total service stations</b>					<b>569</b>	<b>563</b>	<b>1.1</b>	
Net new service stores:								
vs. Last quarter	0		2		(100.0)			
Year-to-date	2		5		(60.0)			
Last-twelve-months	6		12		(50.0)			
Volume (millions of liters) total stations	660		534		23.5	1,223	1,008	21.3
Same-store data: <sup>(1)</sup>								
Sales (thousands of pesos)	7,440.2		5,943.8		25.2	6,741.7	5,522.4	22.1
Volume (thousands of liters)	368.8		317.0		16.3	339.5	300.0	13.1
Average price per liter	20.2		18.7		7.6	19.9	18.4	7.9

<sup>(A)</sup> Unaudited consolidated financial information.

<sup>(1)</sup> Monthly average information per station, considering same stations with more than twelve months of operations.



## Health Division – Results of Operations

Amounts expressed in millions of Mexican Pesos (Ps.)

	For the second quarter of:					For the six months of:				
	2022	% of rev.	2021	% of rev.	% Var.	2022	% of rev.	2021	% of rev.	% Var.
Total revenues	18,844	100.0	18,377	100.0	2.5	37,500	100.0	36,127	100.0	3.8
Cost of sales	13,466	71.5	12,943	70.4	4.0	26,671	71.1	25,624	70.9	4.1
Gross profit	5,378	28.5	5,434	29.6	(1.0)	10,829	28.9	10,503	29.1	3.1
Administrative expenses	420	2.2	819	4.5	(48.7)	1,182	3.2	1,554	4.3	(23.9)
Selling expenses	4,040	21.4	3,596	19.6	12.3	7,656	20.4	7,113	19.7	7.6
Other operating expenses (income), net	3	-	(37)	(0.2)	(108.1)	9	-	(30)	(0.1)	(130.0)
Income from operations	915	4.9	1,056	5.7	(13.4)	1,982	5.3	1,866	5.2	6.2
Depreciation	747	4.0	741	4.0	0.8	1,476	3.9	1,444	4.0	2.2
Amortization & other non-cash charges	172	0.8	120	0.7	43.3	376	1.0	240	0.6	56.7
Operative cash flow (EBITDA)	1,834	9.7	1,917	10.4	(4.3)	3,834	10.2	3,550	9.8	8.0
CAPEX	449		331		35.5	693		585		18.6

### Information of Stores

<b>Total stores</b>						<b>3,862</b>		<b>3,459</b>		11.7
Stores Mexico						1,481		1,372		7.9
Stores South America						2,381		2,087		14.1
Net new stores:										
vs. Last quarter	144		54		166.7					
Year-to-date	210		91		130.8					
Last-twelve-months	403		270		49.3					
Same-store data: <sup>(1)</sup>										
Sales (thousands of pesos)	1,320.7		1,313.6		0.5	1,331.8		1,305.9		2.0

<sup>(1)</sup> Monthly average information per store, considering same stores with more than twelve months of all the retail operations of the Health Division.

## Logistics & Distribution – Results of Operations

Amounts expressed in millions of Mexican Pesos (Ps.)

	For the second quarter of:						For the six months of:					
	2022	% of rev.	2021	% of rev.	% Var.	% Org. <sup>(1)</sup>	2022	% of rev.	2021	% of rev.	% Var.	% Org. <sup>(1)</sup>
Total revenues	16,926	100.0	11,266	100.0	50.2	17.3	32,959	100.0	22,074	100.0	49.3	14.8
Cost of sales	13,119	77.5	8,798	78.1	49.1		25,473	77.3	17,254	78.2	47.6	
Gross profit	3,808	22.5	2,468	21.9	54.3		7,486	22.7	4,821	21.8	55.3	
Administrative expenses	1,398	8.3	1,032	9.2	35.5		2,753	8.4	2,155	9.8	27.7	
Selling expenses	1,582	9.3	856	7.6	84.8		3,170	9.6	1,706	7.7	85.8	
Other operating expenses (income), net	6	-	(6)	(0.1)	N.S.		3	-	8	0.0	(62.5)	
Income from operations	822	4.9	586	5.2	40.3	(3.0)	1,561	4.7	953	4.3	63.8	14.7
Depreciation	512	3.0	434	3.9	18.0		908	2.8	844	3.8	7.6	
Amortization & other non-cash charges	207	1.2	177	1.6	16.9		413	1.2	365	1.7	13.2	
Operative cash flow (EBITDA)	1,541	9.1	1,197	10.6	28.7	5.8	2,882	8.7	2,162	9.8	33.3	11.0
CAPEX	291		130		124.5		587		324		80.8	

<sup>(1)</sup> Organic basis (% Org.) excludes the effects of significant mergers and acquisitions in the last twelve months.

## Coca-Cola FEMSA – Results of Operations

Amounts expressed in millions of Mexican Pesos (Ps.)

	For the second quarter of:						For the six months of:					
	2022	% of rev.	2021	% of rev.	% Var.	% Org. <sup>(1)</sup>	2022	% of rev.	2021	% of rev.	% Var.	% Org. <sup>(1)</sup>
Total revenues	57,311	100.0	47,786	100.0	19.9	19.0	108,635	100.0	92,500	100.0	17.4	16.6
Cost of sales	32,039	55.9	25,226	52.8	27.0		60,702	55.9	50,009	54.1	21.4	
Gross profit	25,271	44.1	22,560	47.2	12.0		47,933	44.1	42,491	45.9	12.8	
Administrative expenses	2,868	5.0	2,279	4.8	25.8		5,330	4.9	4,092	4.4	30.3	
Selling expenses	14,580	25.4	12,910	26.9	12.9		27,919	25.6	24,899	26.9	12.1	
Other operating expenses (income), net	171	0.3	123	0.3	39.0		173	0.2	353	0.4	(51.0)	
Income from operations	7,652	13.4	7,248	15.2	5.6	5.1	14,512	13.4	13,147	14.2	10.4	9.9
Depreciation	2,399	4.2	2,179	4.6	10.1		4,755	4.4	4,417	4.8	7.7	
Amortization & other non-cash charges	556	0.9	580	1.1	(4.1)		1,195	1.0	1,252	1.3	(4.6)	
Operative cash flow (EBITDA)	10,607	18.5	10,007	20.9	6.0	5.4	20,461	18.8	18,816	20.3	8.7	8.2
CAPEX	4,052		2,841		42.6		7,157		4,301		66.4	

### Sales Volumes

(Millions of unit cases)

Mexico and Central America	590.7	62.0	545.8	64.1	8.2		1,084.7	59.1	1,017.1	61.6	6.6	
South America	131.1	13.8	106.1	12.5	23.6		267.8	14.6	226.7	13.7	18.1	
Brazil	230.7	24.2	199.5	23.4	15.6		481.5	26.3	408.3	24.7	17.9	
<b>Total</b>	<b>952.4</b>	<b>100.0</b>	<b>851.4</b>	<b>100.0</b>	<b>11.9</b>		<b>1,834.1</b>	<b>100.0</b>	<b>1,652.1</b>	<b>100.0</b>	<b>11.0</b>	

<sup>(1)</sup> Organic basis (% Org.) excludes the effects of significant mergers and acquisitions in the last twelve months.

## FEMSA Macroeconomic Information

	Inflation		End-of-period Exchange Rates			
	2Q 2022	LTM <sup>(1)</sup> Jun-22	Jun-22		Jun-21	
			Per USD	Per MXN	Per USD	Per MXN
Mexico	1.32%	7.88%	19.98	1.0000	19.80	1.0000
Colombia	1.82%	9.37%	4,127.47	0.0048	3,756.67	0.0053
Brazil	1.09%	11.30%	5.24	3.8153	5.00	3.9588
Argentina	9.87%	62.59%	125.23	0.1596	95.72	0.2069
Chile	3.00%	12.40%	932.08	0.0214	735.28	0.0269
Euro Zone	-0.28%	8.67%	0.94	21.1948	0.84	23.5896

<sup>(1)</sup> LTM = Last twelve months.