

FEMSA



Investor Presentation – June 2019

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

Ownership



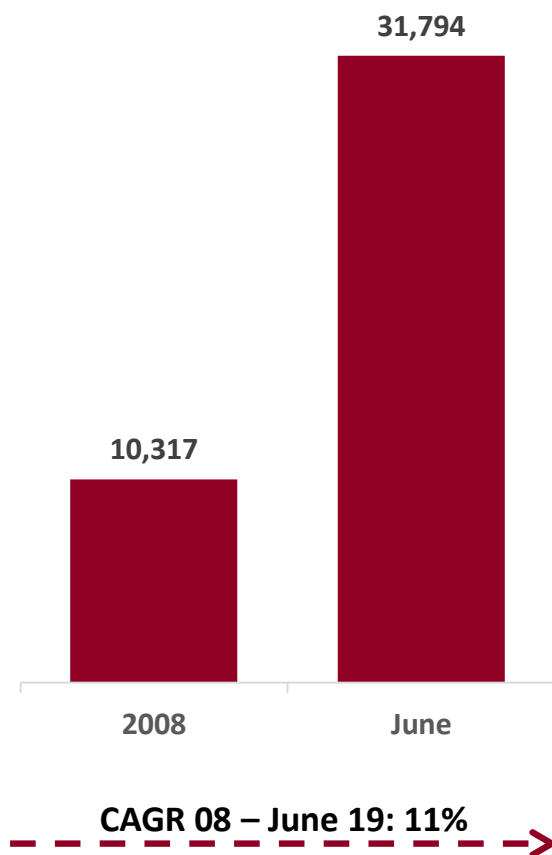
¹ Represents 56% of shares with voting rights.

Leading Consumer Company in Latin America



		FEMSA Comercio			Coca-Cola FEMSA	Logistics/ Refrigeration
		Proximity Division	Health Division	Fuel Division		
	Mexico					
	Brazil					
	Colombia					
	Argentina					
	Venezuela					
	Chile					
	Panama					
	Costa Rica					
	Uruguay					
	Guatemala					
	Nicaragua					
	Peru					
	Ecuador					

KOF Market Cap Evolution (US\$ MM)



Financial Highlights¹

	2018	2008 ²	CAGR %
Revenue	469,744	130,122	14%
EBIT	41,576	17,290	9%
EBIT Margin	8.9%	13.3%	
EBITDA	60,458	22,035	11%
EBITDA Margin	12.9%	16.9%	
CAPEX	22,192	7,522	11%

¹ Amounts expressed in millions of Mexican Pesos

² Figures for 2008 are the arithmetical sum of Coca Cola FEMSA and FEMSA Comercio, therefore figures exclude sold businesses.

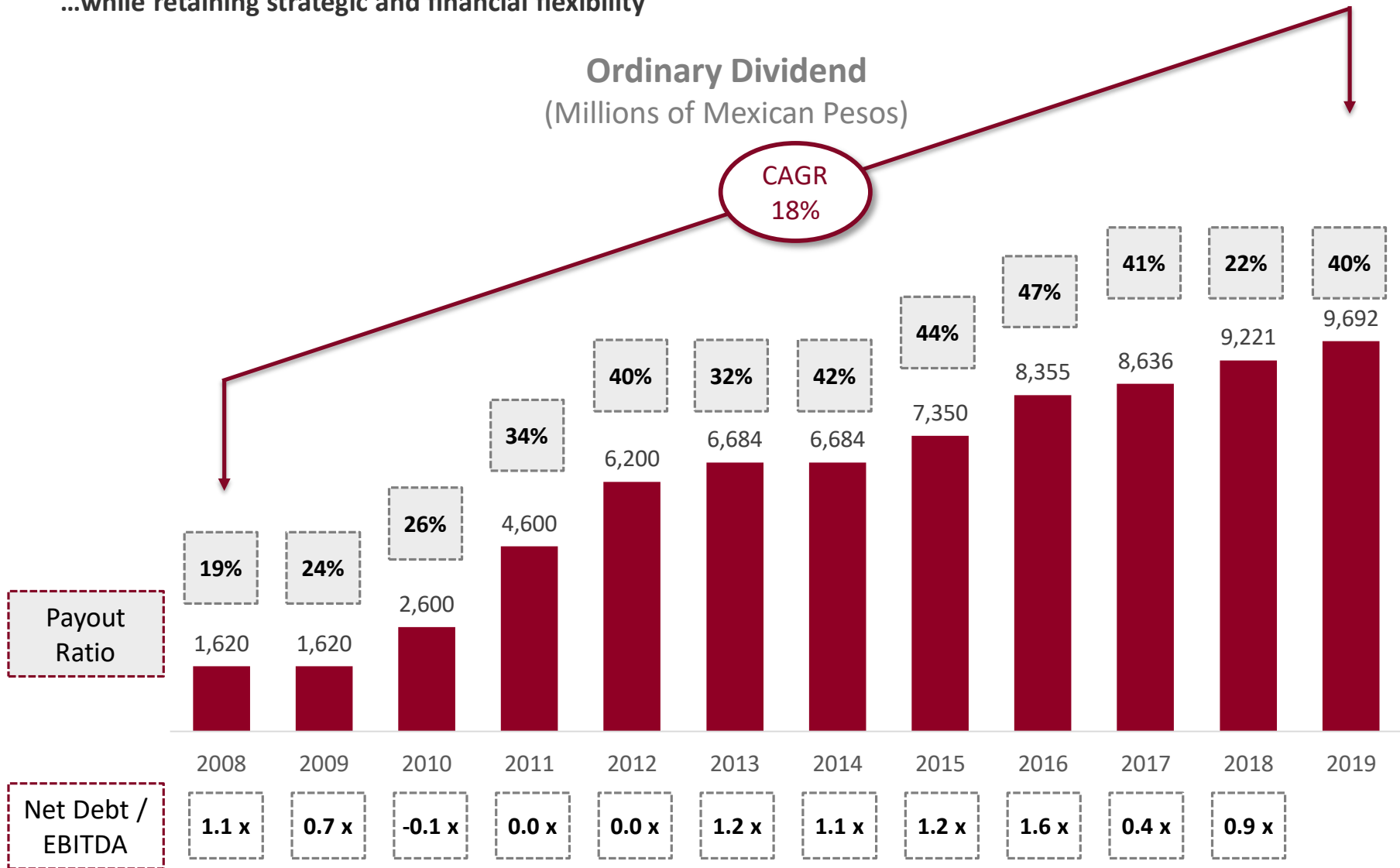
- Consistently strengthening our competitive position.
- Ability to operate in a rapidly changing economic environment.
- Strong brand portfolio and exceptional operational capabilities.

Increasing Cash to Shareholders Over Time...



...while retaining strategic and financial flexibility

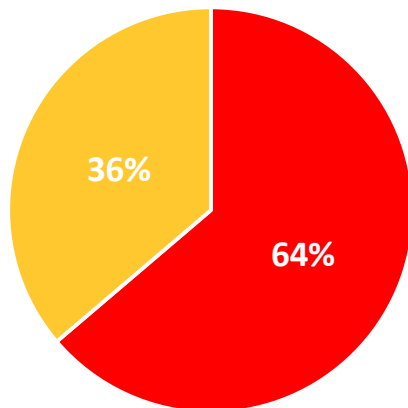
Ordinary Dividend (Millions of Mexican Pesos)



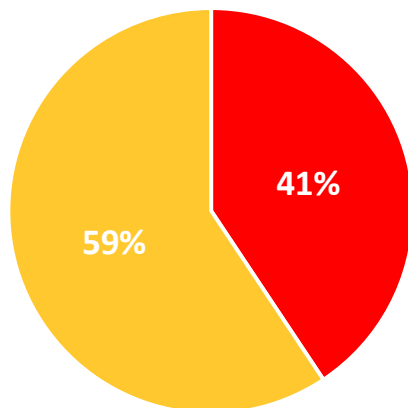
Note: Dividend figures are in Mexican pesos. Payout ratio figures are the division of the dividend between previous year net majority income. 2010 net majority income does not include Heineken transaction effect. 2011 and thereafter figures are under International Financial Reporting Standards ("IFRS").

Revenue Contribution

2008

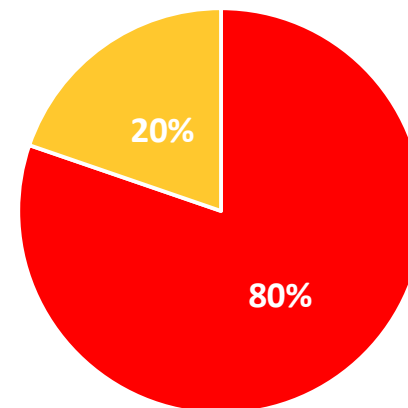


2018

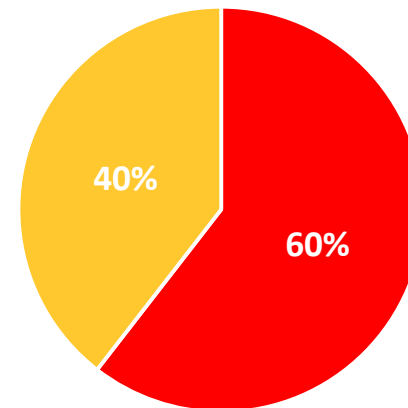


EBITDA Contribution

2008



2018



Note: Figures show the arithmetical sum of Coca Cola FEMSA and FEMSA Comercio for comparison purposes.

FEMSA
COMERCIO





Proximity Division

Operates OXXO, the largest C-store chain in the Americas by units

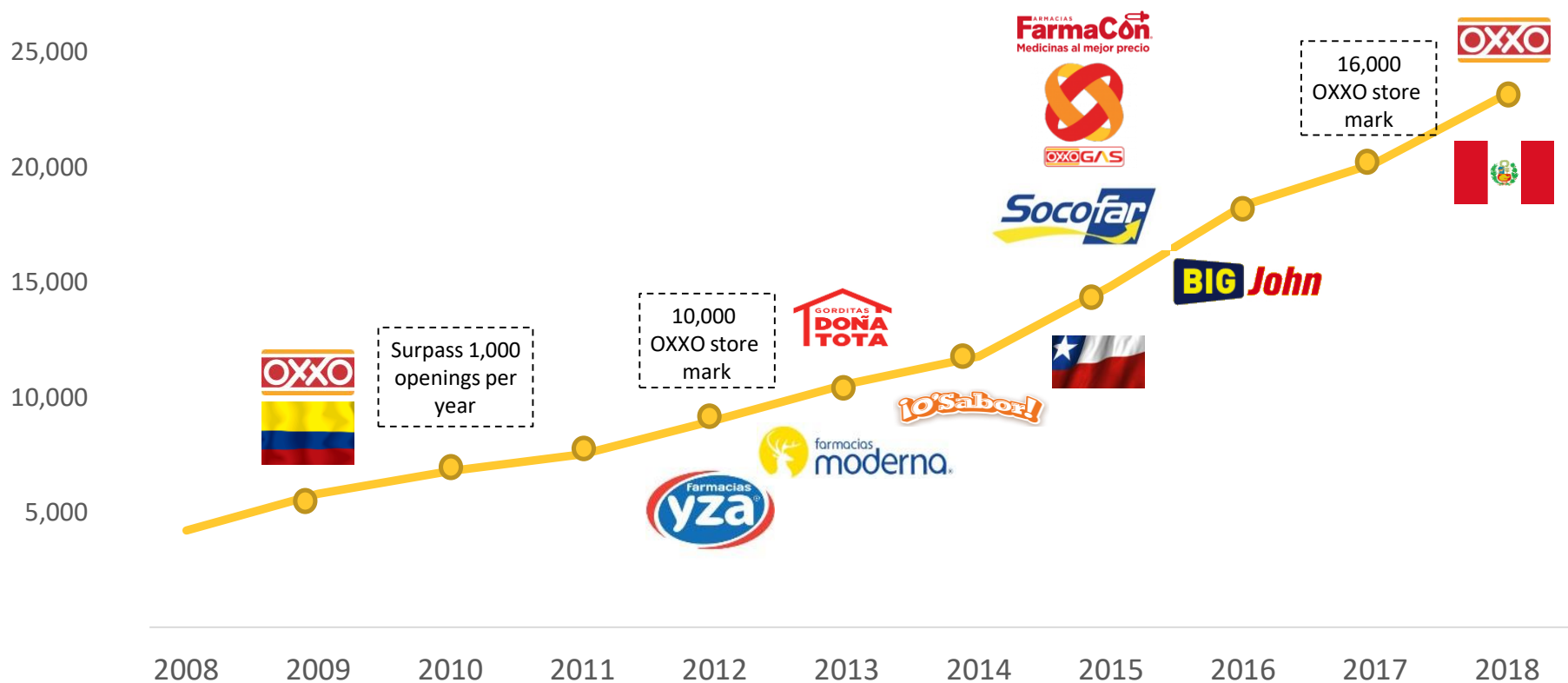
Health Division

Includes drugstores and related operations in Mexico and South America

Fuel Division

Operates the OXXO GAS chain of retail service stations in Mexico

FEMSA Comercio EBITDA (\$Millions of Pesos) and Business Evolution



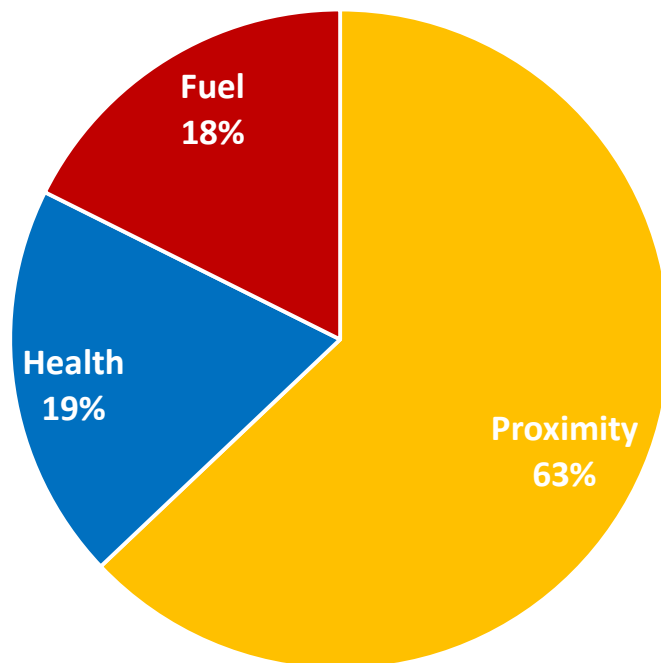
CAGR¹
19%

CAGR¹
17%

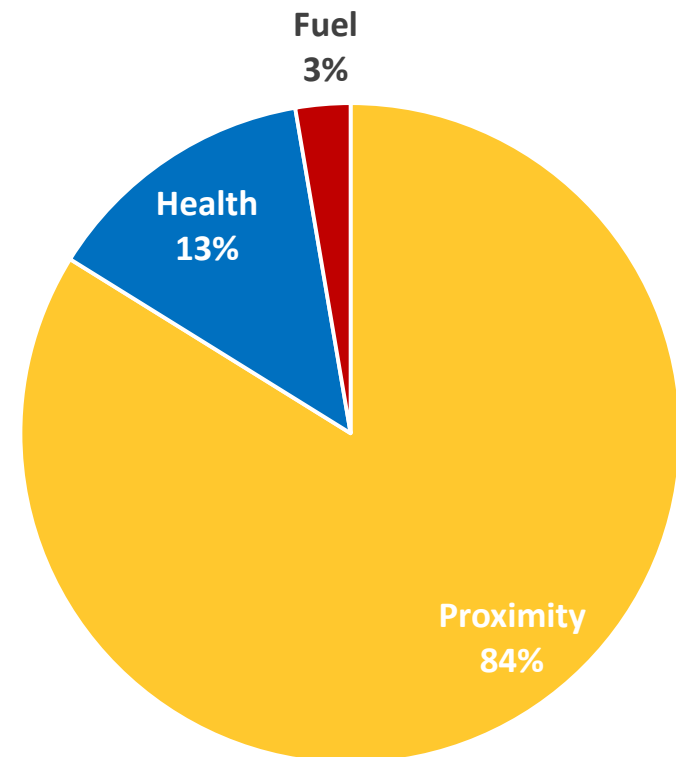
¹ Total FEMSA Comercio Annual EBITDA CAGR.

Contribution for 2018

Revenue



EBITDA



Note: Numbers as of December 31, 2018.

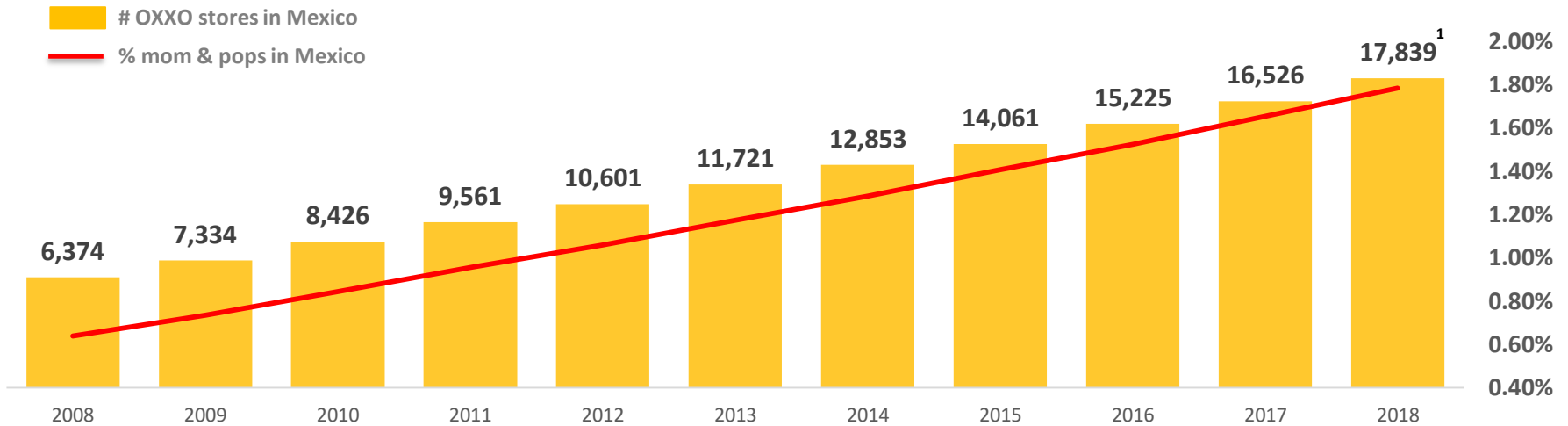
OXXO: A Format that Fits our Consumer's Needs

- **Second largest retailer in terms of Revenues in Mexico**
- **Benchmark for SSS and sales density in Mexico**
- **Best-in-class margins and returns**
- **We open one new store every 6 hours on average**
- **Every day, approximately 13 million people make a purchase at an OXXO Store**

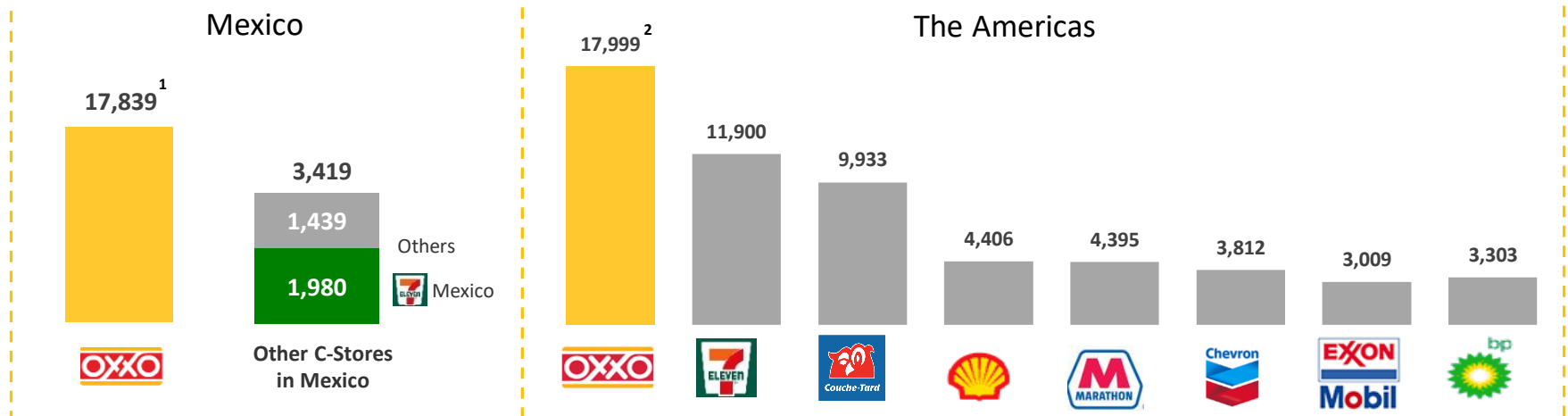


Largest Store Chain in the Americas by Units

OXXO Stores as a Percentage of Mom & Pops in Mexico



Number of Stores

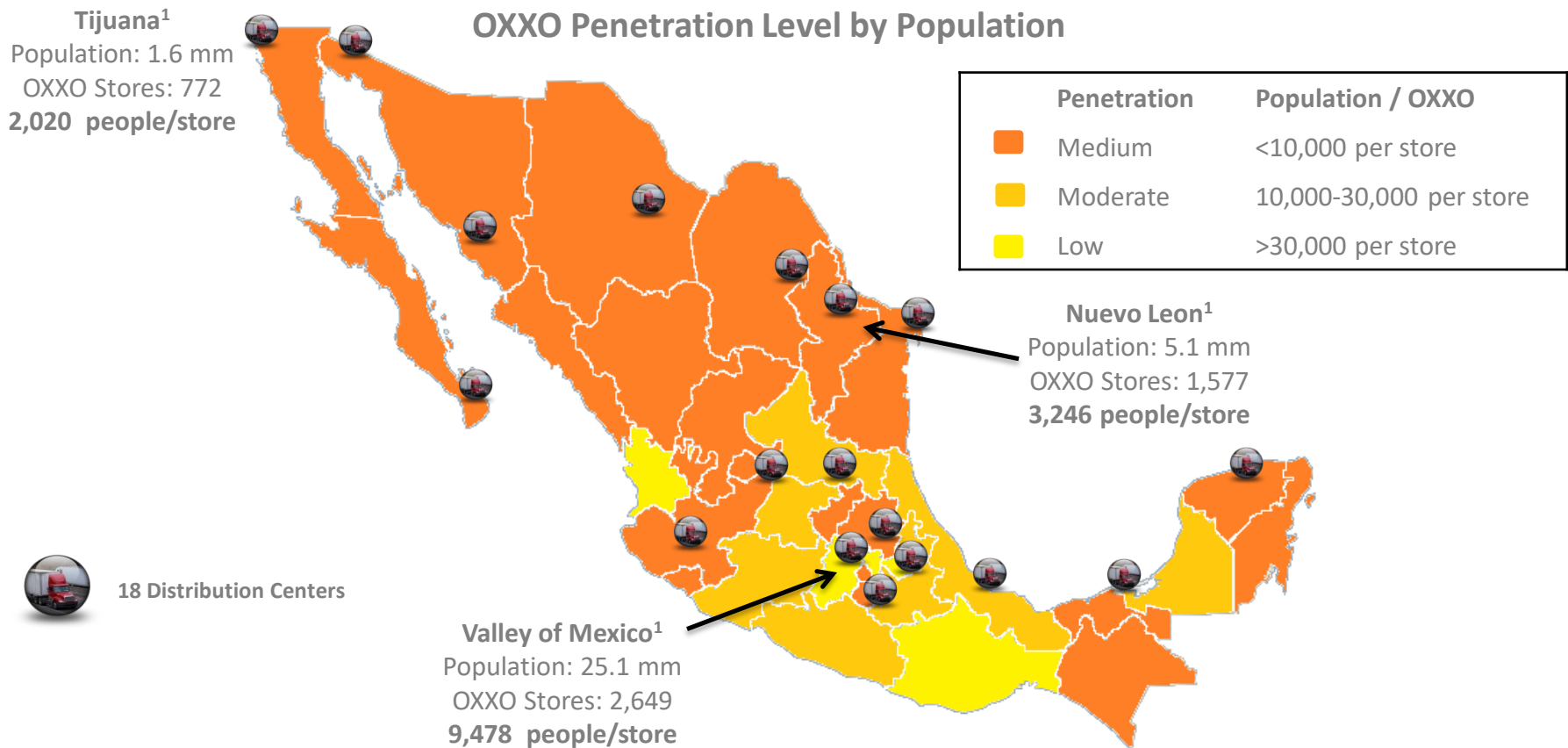


Note: For The Americas Section: Alimentation Couche-Tard includes US, Canada and Latin America as of February, 3, 2019. Source: Company Information. 7-Eleven: US, Canada and Mexico Operations as of Dec 2018. Source: Company Information. Rest of the companies: Source: CS News "Top 100 US Convenience Store Companies", Published July 2018. Mom & pops: Company and INEGI information.
¹ OXXO stores in Mexico as of December 31, 2018. ² Total OXXO stores in LatAm as of December 31, 2018.

Horizontal Growth: Plenty of Runway Ahead

18,233 stores and counting

FEMSA Comercio has developed proprietary models to assist in identifying optimal store locations, store formats and product categories



Note: INEGI 2015 Inter Population Consensus Survey . FEMSA information as of Mach 31, 2019.

¹OXXO stores as of March 31, 2019. Includes LATAM

Differentiated Approach to Fill Consumer Needs



THIRST

Quench your thirst immediately



CRAVING

Satisfy your sudden craving for a snack, a meal or drink



TIME OPTIMIZATION

Acquire one-stop products and services in a simple and fast way



BREAKFAST

Start your day with a practical breakfast



LUNCH

Satisfy your hunger with an on-the-go meal



GATHERING

Stop by for your party needs



DAILY

Take home your everyday grocery needs



REPLENISHMENT

Replenish your depleted grocery and non-food products

Category Development

-Services

+1,000 services offered in the store

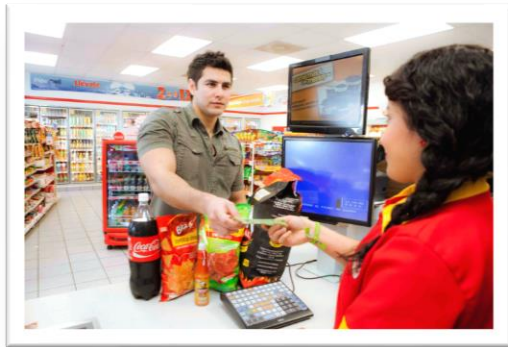


Category Development

-Prepared Food



Segmentation



Providing a solid platform for continued growth across the region



- Operating more than **1,600** health related points of sale in Chile, Colombia and Ecuador.
- **Strong brand recognition and industry leadership** in Chile, Colombia and Ecuador
- **Operational expertise will serve as a driver of profitability**
- **Region presents opportunities for further international and cross-format growth**

Aspiring to **consolidate fragmented industry** following OXXO game plan



- FEMSA Comercio now operates more than **1,100 drugstores in Mexico, or approximately 3% of industry units**
- **Current expected organic revenue growth of 10% in the Mexican operations**
- **Oxxo's operational and logistics expertise will facilitate national expansion**
- **Standardizing business model across different regional brands**

FEMSA Comercio's Health Division is gradually becoming a key drugstore operator in Latin America

LatAm Comparable Players by Number of Stores



Source:

¹ 2018 Company Reports. FEMSA Comercio – Health Division includes drugstores and beauty stores.

² 3Q17 Company Reports

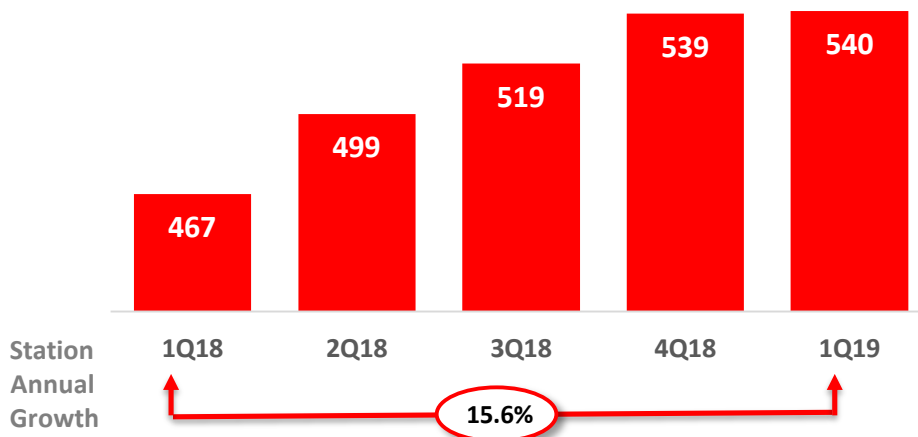
³ LatAm Retail Pharma Map, ILACAD World Retail, points of sale as of March, 2015.

FEMSA is participating in the rapid transformation of Mexico's Fuel industry

- New changes to Mexican regulatory framework now allow FEMSA to participate directly in the Energy sector, particularly through petrol stations
- We concentrate mainly in the northern part of the country, but with a growing presence in 17 Mexican States

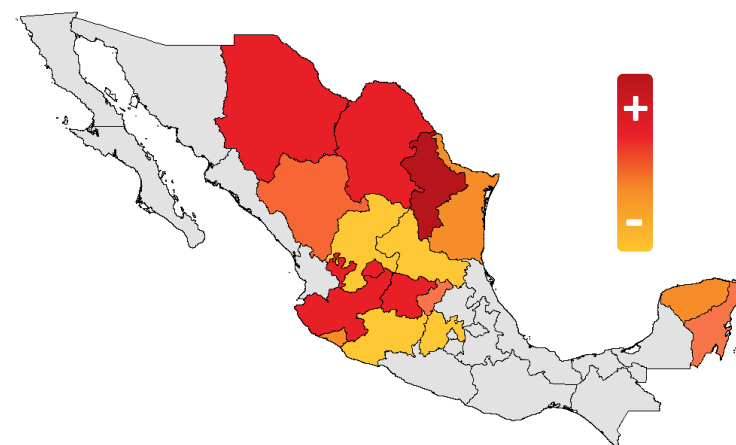


Number of Stations
(End of Quarter)



Note: Numbers as of March 31, 2019.

Footprint

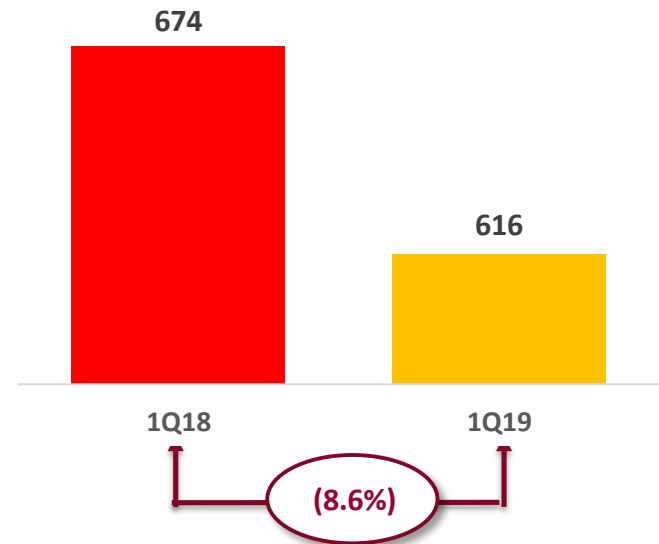


Gas Stations (OXXO GAS)

- High-growth, low asset-intensity, high-return business

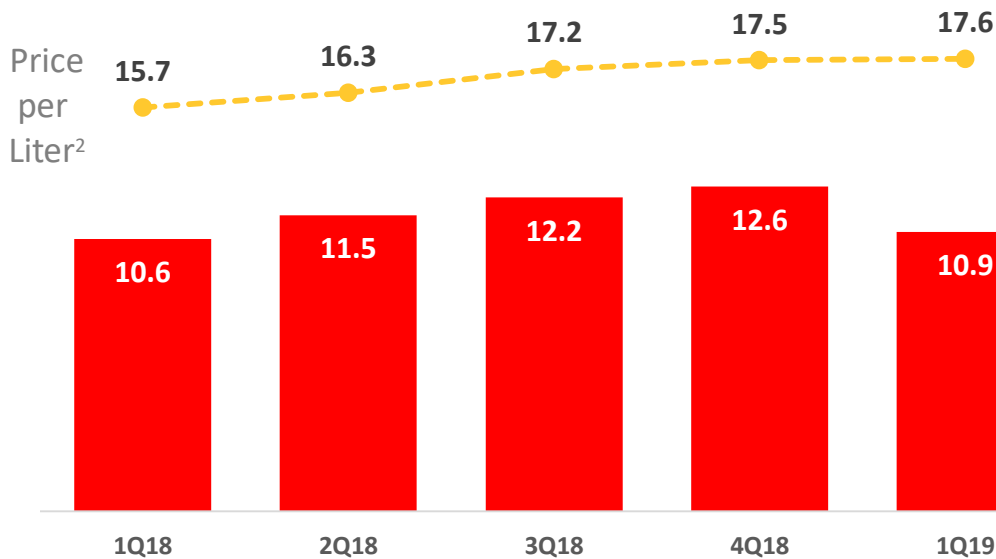
- As of March 31, 2019 there were 540 OXXO GAS stations, representing around 4% of a highly-fragmented industry

Same Station Volume¹



Revenue

(Billions of Mexican Pesos)



¹ Volume in thousands of liters considering same stations with more than twelve months of operations.

² Average price per liter in Mexican Pesos.



Largest Coca-Cola Franchise Bottler in the World by Volume, Operating in Attractive Regions



- Strategic partner to the Coca-Cola system representing about 12% of Global Volume

- ~3.3 Billion Unit Cases ¹

- +US\$ 9.5 Billion in Revenues

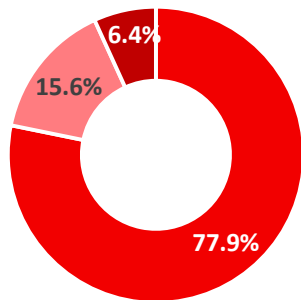
- +290 Million consumers

- More than 2.0 Million points of sale

- +80,000 employees



Volume Mix



■ Sparkling ■ Water ■ Still

Ownership:

FEMSA

Voting: 56%
Economic: 47.2%

Coca-Cola

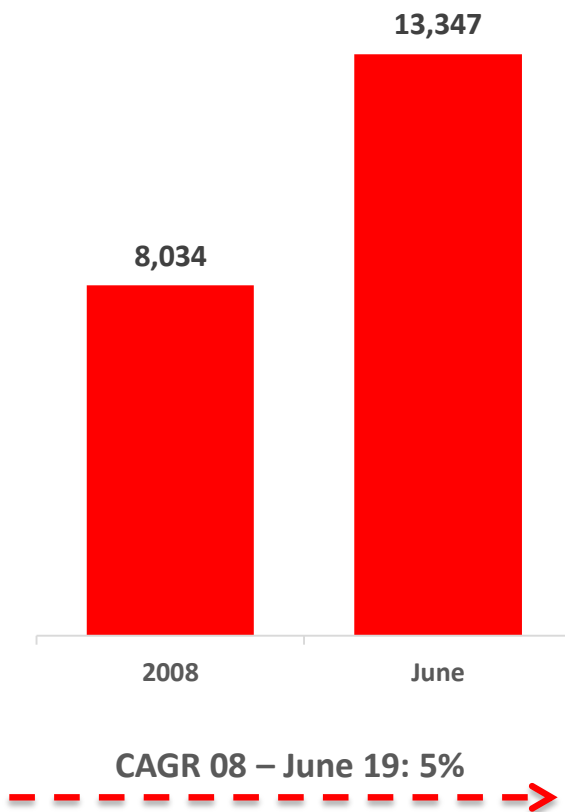
Voting: 32.9%
Economic: 27.8%

Public Float

Series	Voting	Economic
Series L*	0%	15.6%
Series B*	11.1%	9.4%



KOF Market Cap Evolution (US\$ MM)



Source: Bloomberg, as of June, 5, 2019.

Financial Highlights¹

	2018	2008	CAGR %
Revenue	182,342	82,976	8%
EBIT	24,673	13,695	6%
EBIT Margin	13.5%	16.5%	
EBITDA	35,456	17,116	8%
EBITDA Margin	19.4%	20.6%	
CAPEX	11,069	4,802	9%

¹ Amounts expressed in millions of Mexican Pesos

- Consolidate as a Multi-category Leader.
- Reach Full Operating Potential.
- Growth Through Innovation.
- Growth Through Acquisitions.
- Proactive Environment Management.

Strategic partner to the Coca-Cola System



Over the past 25 years, we have travelled a successful journey by consolidating across territories and categories leveraging on our operational excellence and a disciplined approach to capital allocation



	1994	2003	2010	2018
Volume (Mn UC)	306	1,451	2,500	3,322
Points of sale (Mn)		1.5	1.6	2.0
Revenues (USD bn)		3.2	5.5	9.3
EBITDA (USD bn)		.8	1.1	1.8

KOF's Strategic Framework continues to be the guide for the business...



TOTAL BEVERAGE LEADER with SUSTAINABLE and PROFITABLE GROWTH

Categories

Geographies



Winning Portfolio Buildup

- Leverage sparkling beverage growth through affordability.
- Consistent leadership position in water.
- Selectively improve our competitive position in still beverages.
- Drive our low- and no-sugar footprint.



Operating Model Transformation

- Accelerate digitally driven business transformation.
- Develop tailored business models for customer segment.
- Address proactively growing environmental challenges.



Cultural Evolution

- Create a more collaborative, consumer and client-centric culture:
New KOF DNA.

SUSTAINABILITY



CHOICES FOR EVERY LIFESTYLE



SUSTAINABLE COMMUNITIES & ENVIRONMENT



PROFESSIONAL DEVELOPMENT AND WORKPLACE RIGHTS

DISCIPLINED CAPITAL ALLOCATION

STRATEGIC MERGERS & ACQUISITIONS

...while their consumers and clients are at the center of everything they do.



KOF DNA



SUSTAINABILITY



OUR PEOPLE



OUR COMMUNITY



OUR PLANET

Sustainability Strategy: Structure

We are committed to developing the capabilities needed to **generate the economic, social, and environmental conditions** required to operate today—and to grow in the future in harmony with our environment. That is how we understand **sustainability**.

We contribute to **create economic and social value** through our Strategic Sustainability Framework:

Contributing to the generation of sustainable communities

Promoting employees' comprehensive development



Minimizing our operations' environmental impact

Selected Sustainability Achievements 2018

We are aware of the fact that our communities face challenges that are increasingly more complex. Consequently, we know we need to **evolve and strengthen our decision-making processes** based on criteria that simultaneously creates **economic and social value**, as defined by our mission.

- FEMSA and Coca-Cola FEMSA have been part of the **FTSE4Good Index Series** for 2 consecutive years.
- **Coca-Cola FEMSA** has been for six consecutive years part of the **Dow Jones Sustainability Index (DJSI) for Emerging Markets**.
- **FEMSA and Coca-Cola FEMSA** have been for two consecutive years part of the **DJSI Latin American Integrated Market Index (MILA)**.
- **FEMSA and Coca-Cola FEMSA** have been part of the **Mexican Stock Exchange Sustainability Index** for six consecutive years.



FTSE4Good

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



Our Investment in Sustainability

At FEMSA we invest ~ 1% of our total consolidated revenue in sustainability every year.

Total Spending on Sustainability (by Pillar)



* In MXN terms the investment made on Sustainability during 2015 grew compared to 2014 and during 2014 compared to 2013, but when translated to USD it decreases due to the depreciation of the MXN against the USD (December 31 for each year).



Focus on disciplined capital deployment to take advantage of balance sheet flexibility, targeting assets consistent with our business platform and set of capabilities.



Sustained organic growth at OXXO in Mexico, with compelling growth in new complementary drugstore and fuel operations, as well as medium-term objectives to test additional international markets.



Continue to drive organic revenue growth across markets, working in tandem with The Coca-Cola Company to enhance our portfolio by addressing evolving consumer preferences, and continue to pursue incremental territories that are structurally well suited to our skill set.

Financial Summary (Amounts in millions of Mexican Pesos)



	2013	% Var	2014	% Var	2015	% Var	2016	% Var	2017	% Var	2018	% Var
Total Revenues	258,097	8%	263,449	2%	311,589	18%	399,507	28%	460,456	15%	469,744	2%
Income from Operations	29,857	2%	29,983	0%	33,735	13%	37,427	11%	41,439	11%	41,576	0%
% of Revenues	12%	-6%	11%	-2%	11%	-5%	9%	-13%	9%	-4%	9%	
Operative Cash Flow	39,870	6%	40,945	3%	46,626	14%	54,987	18%	61,418	12%	60,458	-2%
% of Revenues	15%	-2%	16%	1%	15%	-4%	14%	-8%	13%	-3%	13%	
CAPEX	17,882	60%	18,163	2%	18,885	4%	22,155	17%	25,180	14%	24,266	-4%
% of Revenues	7%	48%	7%	0%	6%	-12%	6%	-8%	5%	-1%	5%	

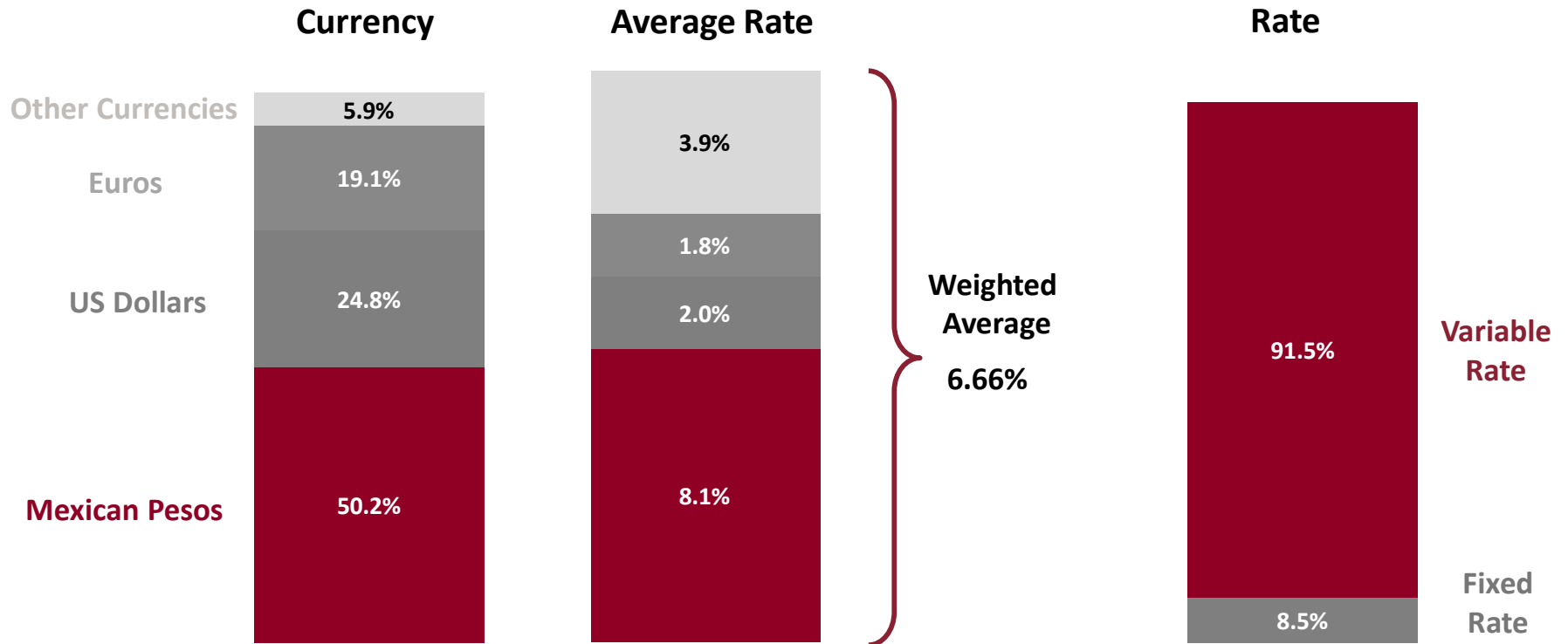


	2013	% Var	2014	% Var	2015	% Var	2016	% Var	2017	% Var	2018	% Var
Total Revenues	97,572	13%	109,624	12%	151,401	38%	209,166	38%	240,013	15%	266,133	11%
Income from Operations	7,906	17%	8,680	10%	11,105	28%	13,310	20%	14,331	8%	16,650	16%
% of Revenues	8%	3%	8%	-2%	7%	-7%	6%	-13%	6%	-6%	6%	
Operative Cash Flow	10,546	17%	11,756	11%	14,802	26%	18,306	24%	20,139	10%	23,157	15%
% of Revenues	11%	4%	11%	-1%	10%	-9%	9%	-10%	8%	-4%	9%	
CAPEX	5,683	21%	5,191	-9%	6,276	21%	8,405	34%	9,628	15%	11,123	16%
% of Revenues	6%	7%	5%	-19%	4%	-12%	4%	-3%	4%	0%	4%	
OXXO SSS %growth	2.4	-69%	2.7	13%	6.9	156%	7.0	1%	6.4	-9%	5.2	-17%

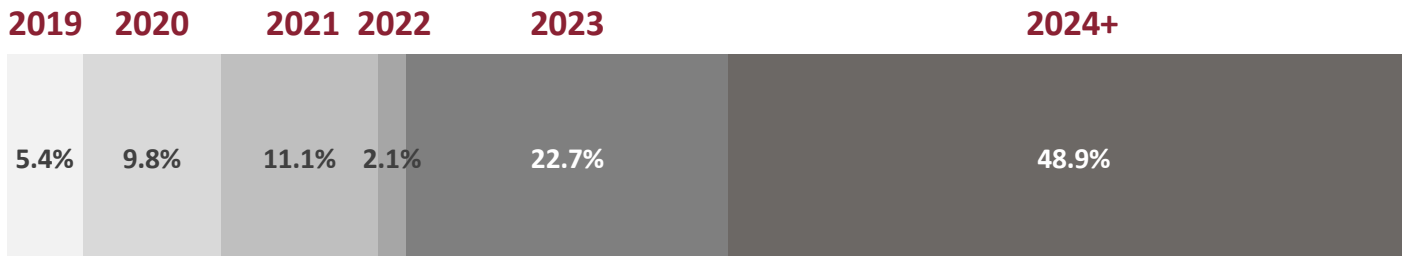


	2013	% Var	2014	% Var	2015	% Var	2016	% Var	2017	% Var	2018	% Var
Total Revenues	156,011	6%	147,298	-6%	152,360	3%	177,718	17%	203,780	15%	182,342	-11%
Income from Operations	21,450	-2%	20,743	-3%	22,645	9%	23,920	6%	26,175	9%	24,673	-6%
% of Revenues	14%	-7%	14%	2%	15%	6%	13%	-9%	13%	-5%	14%	
Operative Cash Flow	28,594	2%	28,385	-1%	31,233	10%	35,495	14%	39,546	11%	35,456	-10%
% of Revenues	18%	-3%	19%	5%	20%	6%	20%	-3%	19%	-3%	19%	
CAPEX	11,703	14%	11,313	-3%	11,484	2%	12,391	8%	14,612	18%	11,069	-24%
% of Revenues	8%	8%	8%	2%	8%	-2%	7%	-7%	7%	3%	6%	
Volume (mill UC)	3,204.6	5%	3,417.3	7%	3,435.6	1%	3,334.0	-3%	3,318.1	0%	3,321.8	0%

Debt Profile – March 31, 2019



Maturity



FEMSA

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Stock Information

Bolsa Mexicana de Valores (BMV): FEMSAUBD

New York Stock Exchange, Inc (NYSE): FMX

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