

FEMSA Announces Second Quarter 2020 Results

Monterrey, Mexico, July 24, 2020 — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the second quarter of 2020.

COVID-19 UPDATE:

- We have kept our people and customer’s health and safety as our first priority. Our more than 25,000 vulnerable employees, and most of our administrative personnel remain safe at home, collaborating remotely when possible. We have increased availability of required protective equipment at most of our locations, and we have continued to successfully implement strict social distancing and health risk prevention policies across our operations, helping us in turn to ensure business continuity under a safe environment for our employees and customers. On the financial liquidity front, we continue to operate our business-specific cash control towers with a focus on cash preservation, with good results.

FINANCIAL SUMMARY FOR THE SECOND QUARTER AND FIRST SIX MONTHS 2020

Change vs. same period last year

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	2Q20	YTD20	2Q20	YTD20	2Q20	YTD20	2Q20	YTD20
FEMSA CONSOLIDATED	(10.7%)	(3.1%)	(9.1%)	(1.6%)	(37.5%)	(18.9%)		
FEMSA COMERCIO								
Proximity Division	(8.0%)	0.7%	(8.2%)	2.4%	(65.8%)	(36.3%)	(12.4%)	(4.0%)
Health Division	2.5%	10.4%	5.2%	10.6%	(23.9%)	(9.2%)	(9.8%)	(8.3%)
Fuel Division	(48.6%)	(25.9%)	(30.4%)	(13.9%)	(82.0%)	(51.8%)	(49.3%)	(27.0%)
COCA-COLA FEMSA	(10.2%)	(6.5%)	(13.7%)	(7.8%)	(19.1%)	(10.1%)		

Eduardo Padilla, FEMSA’s CEO, commented:

“The second quarter was extremely challenging across our operations, although there were differences in performance among business units. At OXXO, we saw a meaningful impact from continuing lack of consumer mobility, that translated into soft performance for most of our categories and consumer occasions, and the challenge was compounded by the lack of beer supply that only began to recover in the month of June. Our Health Division fared better, as demand for its products remained high but sales were constrained by strict mobility restrictions imposed on consumers, particularly in our key South American markets. The Fuel Division was impacted most, as vehicle utilization fell quickly and drastically, however it is also the retail operation that seems to be rebounding faster, from a deeper trough. For its part, Coca-Cola FEMSA was quite resilient, leveraging its execution capabilities to once again adapt to consumer needs and minimize the negative impact of the downturn.

Having said all that, our team continues to execute at a high level in very complex environments, and we continue to focus on the safety and health of our people and our customers above all else. Looking ahead, we are seeing a very tentative recovery that will probably take a long time, and we expect uncertainty to remain a factor for a while. However, we do expect the environment to gradually evolve from a lockdown-driven, mobility-challenged downturn, into a more traditional economy-driven one. Neither is good, but we have more levers to use and are more familiar with economy and income-driven slowdowns. In any scenario, we will continue to work hard to make the best of the current situation, and to identify and pursue opportunities that might emerge, as is often the case with crises.”

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 more than 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.