

Accelerating
towards
excellence



Investor relations
June 2017

Cautionary Statement

FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” These forward-looking statements relate to Coca-Cola FEMSA, S.A.B. de C.V. its Subsidiaries (“KOF”) and their businesses, and are based on KOF management’s good faith expectations regarding KOF and its businesses. Recipients are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside KOF’s control, that could cause actual results of KOF and its businesses to differ materially from such statements. KOF is under no obligation, and expressly disclaims any intention or obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

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ADDITIONAL INFORMATION AND WHERE TO FIND IT

Documents filed by KOF are available at the Securities and Exchange Commission’s public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20594. Investors and security holders may call the Commission at 1-800-SEC-0330 for further information on the public reference room. Free copies of all of KOF’s filings with the Commission may also be obtained by directing a request to:

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Coca-Cola FEMSA has traveled to become the largest franchise bottler in the world, in terms of volume, operating in two of the most attractive regions for its industry



Coca-Cola FEMSA at a glance

~**375** million consumers

~**2.8** million points of sale

~**27** bn transactions⁽¹⁾

~**4** bn unit cases⁽¹⁾

~**US\$9.8 bn** ⁽¹⁾ in Revenues (~US\$1.2 bn PH)

~**US\$1.8 bn** ⁽¹⁾ in EBITDA

66 plants

328 distribution centers

(1) Full year 2016 figures including the Philippines on a proforma basis

Our footprint... Mexico and Central America division



Mexico and Central America at a glance

- ~**93** million consumers
- ~**1** million points of sale
- ~**11** bn transactions⁽¹⁾
- ~**2** bn unit cases⁽¹⁾
- ~**US\$4.2 bn** ⁽¹⁾ in Revenues
- ~**US\$1 bn** ⁽¹⁾ in EBITDA
- EBITDA Margin** ⁽¹⁾ 22.7%

product mix by package

% of volume of sparkling beverages

Non-Returnable 64%
Returnable 36%

product mix by size

% of volume of sparkling beverages

Multi
Serve 64%

Single
Serve 36%

Portfolio Excellence

- ✓ Product innovation
- ✓ Affordable presentations
- ✓ Diversify portfolio
- ✓ New packages



Our footprint... South America division



South America at a glance

- ~**179** million consumers
- ~**1** million points of sale
- ~**8** bn transactions⁽¹⁾
- ~**1.3** bn unit cases⁽¹⁾
- ~**US\$4.3 bn** ⁽¹⁾ in Revenues
- ~**US\$750 million** ⁽¹⁾ in EBITDA
- EBITDA Margin** ⁽¹⁾ 17.3%

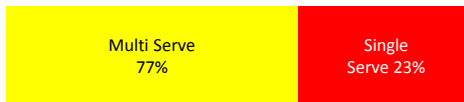
product mix by package

% of volume of sparkling beverages

Non-Returnable 80%
Returnable 20%

product mix by size

% of volume of sparkling beverages



Portfolio Excellence

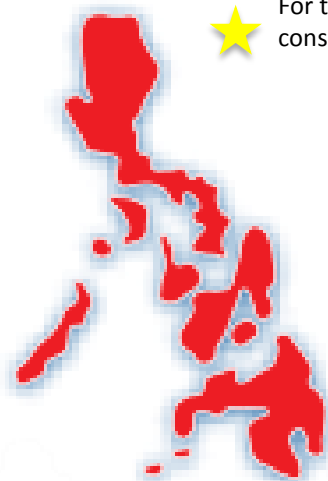
- ✓ Product innovation
- ✓ Affordable presentations
- ✓ Diversify portfolio
- ✓ New packages



(1) Full year 2016 figures

Our footprint...

Asia division



For the 1Q17 we will be starting consolidating The Philippines



Philippines at a glance

- ~**105** million consumers
- ~**1** million points of sale
- ~**7** bn transactions⁽¹⁾
- ~**570** million unit cases⁽¹⁾
- ~**US\$1.1 bn** ⁽¹⁾ in Revenues
- EBITDA Margin** ⁽¹⁾ ~13%

Excluding Fountain

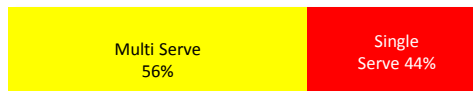
product mix by package

% of volume of sparkling beverages

Non-Returnable 41%
Returnable 59%

product mix by size

% of volume of sparkling beverages



Portfolio Excellence

- ✓ A profound **RTM transformation**
- ✓ **Improving the mix** of one-way PET packaging and the core sparkling beverage portfolio
- ✓ Strengthened our **supply chain**, gained control of **distribution** and **logistics** and **modernized** our production capacity
- ✓ Installing **the fastest bottling lines in the world**

Capital Structure



Our Strategic Framework continues to be the guide for our business

Become a multi-category beverage leader with global footprint

CATEGORIES: Protect and grow Sparkling, while diversifying aggressively in Stills, Dairy and new categories

GEOGRAPHIES: Expand footprint in LatAm & Asia, monitoring other opportunities within TCCC System

Winning
Portfolio
Buildup



Operating
Model
Transformation



Cultural
Evolution



Disciplined Capital Allocation

Business Sustainability

Strategic M&A

Accretive relationship with KO

Our portfolio must continue to evolve...



Revitalize CSDs

- Re-gain **competitiveness & affordability**
 - Develop **single serve** via magic price points
 - Continue to **invest in RefPet and returnable**



Diversify portfolio

- Successfully incorporate **Ades & Monster**
- Focus on **individual presentations** in NCBs



Grow non-caloric

- Accelerate towards **non-caloric portfolio** through:
 - Product **reformulation**
 - **Coca-Cola SIN AZÚCAR** in Mexico, Colombia & CAM

to maximize value in each segment through innovation and affordability

CSD's

✓ Innovation



✓ Low-calorie



✓ Affordability



NCB's

✓ Juices

- A portfolio for each segment



✓ Sport Drinks

- Market leadership in Mexico



✓ Energy Drinks



Dairy

✓ Innovation



✓ Plant-based



Water

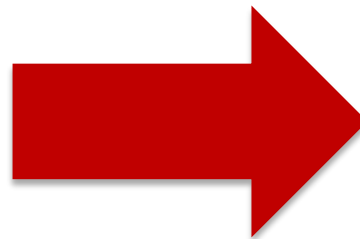
✓ Innovation



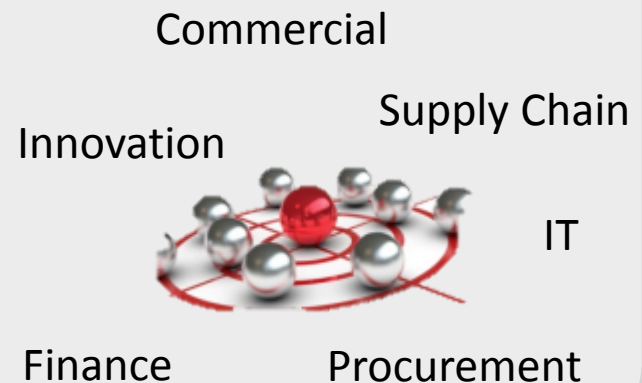
We continue transforming our operating model through our centers of excellence

Current transformational efforts:

- ✓ Kofmmercial Digital Platform
- ✓ Supply Chain Planning
- ✓ Digital Distribution
- ✓ Global Business Services



Through our centers of excellence to scale growth:



Propelled by our centers of excellence (CoEs), we are accelerating the transformation of our operating model

Centers of Excellence

Commercial



Distribution & Logistics



Manufacturing



Transformation remains on track

- ✓ Rolled our **KDP across** our **traditional sales channel in Mexico**
 - ✓ Implementation of **KDP in Brazil**.
 - ✓ **Incremental volume and revenue growth**, with improved point-of-sale execution, in the areas with KDP.
-
- ✓ Developing an **integrated, best-in-class supply chain** across our global beverage categories, geographies, and business models.
 - ✓ Rollout of our **Digital Distribution platform** at four distribution centers in Mexico, **covering more than 300 delivery routes**.
-
- ✓ Hard **manufacturing savings of US\$36 million** in 2016.
 - ✓ **Best quality index in the history** of our company

Strategic Imperatives

Accelerate performance with distinctive capabilities

- Focus on **Analytics** and a **streamlined RTM**
- **Compensate incidence** increase through pricing and CoE initiatives



Ensure operational stability to exploit market leadership

- Tackle current **labor challenges**
- **Sustain margins** despite the economic environment

Turnaround focus

- **Improve POS execution** and exploit **Coolers** as a driver for growth
- **Vonpar** Integration & **Leao** Transformation



Capture transformational opportunities

- **Turnaround** in **Panama**
- **Structural changes** in **Guatemala**
- **Costa Rica's** volume growth into **profit growth**
- **Improve capacity** in **Nicaragua** to maintain growth

Create basis for sustainable and profitable growth

- **Adjust cost structure & recover margins**
- Continue developing **affordable CSD's** portfolio
- Keep **improving our RTM** capabilities



Ensure business continuity

- **Rescale business** to continue operating
- Maintain **labor stability**



Accelerate turnaround

- **Leverage volume growth** to offset cost

Strategically committed to sustainable development, while simultaneously generating social, economic and environmental value in all of our actions



- **+374 thousand volunteer hours** since 2015
- **+2.47 million training hours** for all our collaborators



- **+1.5 million people** have been **benefited with our healthy habits** programs since 2015
- **589 suppliers in sustainability evaluations** and development programs
- **36%** of our beverage brands are **low- or no-calorie drinks**

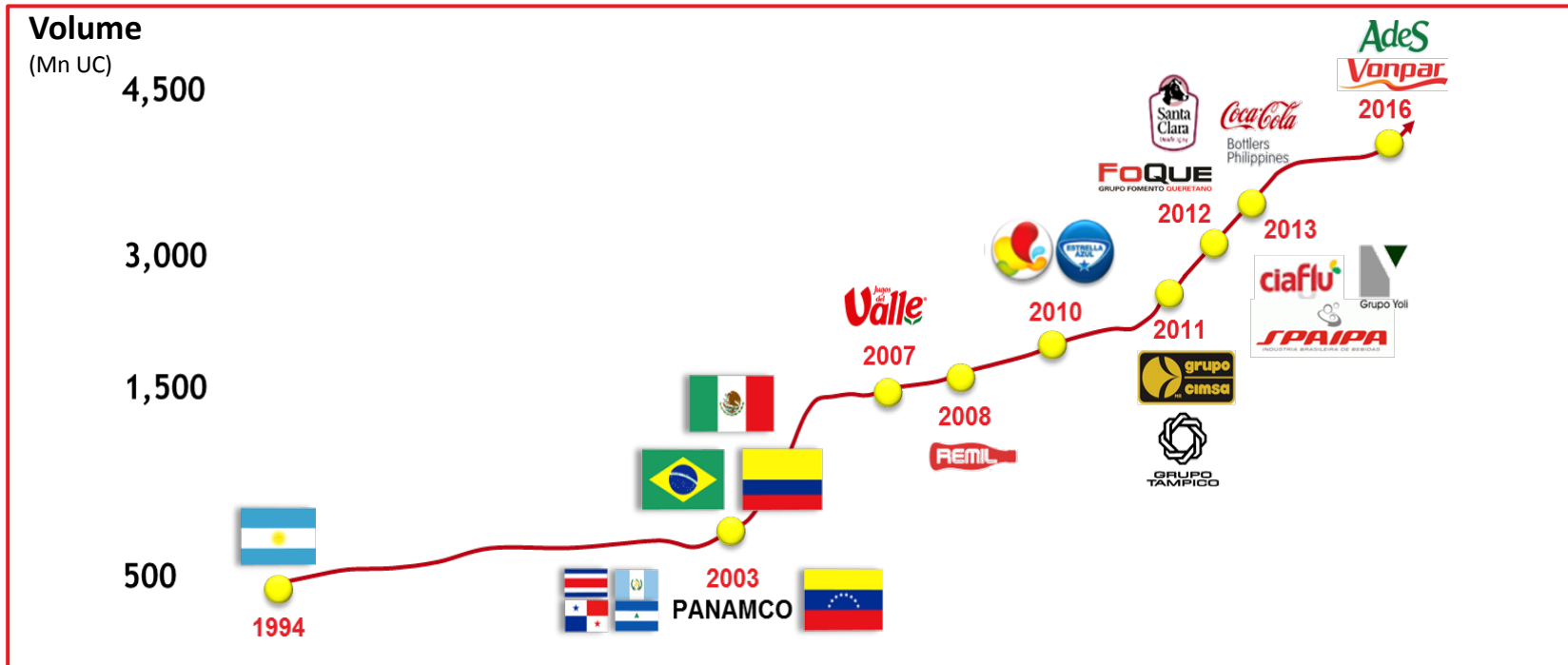


- In **Mexico and Brazil** we return **+100% of the water used** in our production processes
- **46% use of clean energy in Mexico** and **76% in Brazil** for our manufacturing processes
- **USD \$29 million in savings from environmental initiatives** during 2016

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



Over the past 20 years, we have travelled a successful journey, with 2 important acquisitions in 2016...

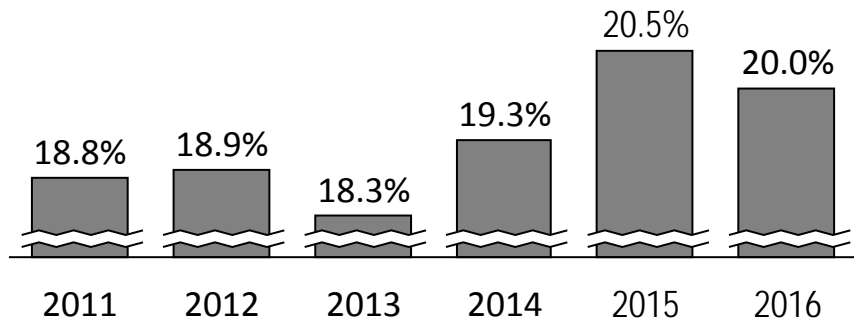


	1994	2003	2010	2016
Volume (Mn UC)	306	977	2,500	4,184
Points of sale		1,560,481	1,576,357	2,840,797

2016 includes Philippines and Vonpar on a proforma basis

continue generating shareholder value through our operating and financial discipline

KOF EBITDA margins



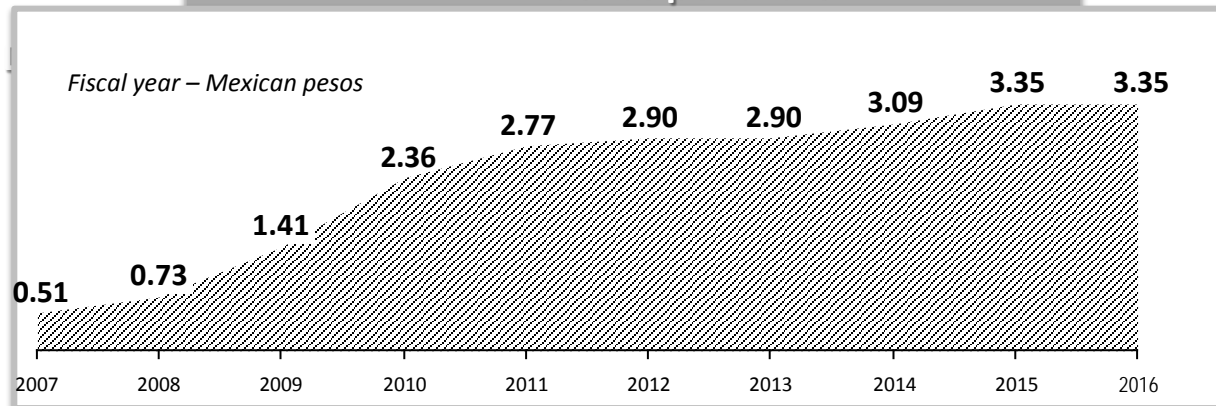
Free Cash Flow generation full year 2016

~US\$650 MM

before dividend payments and M&A

**not including The Philippines*

Dividends per share



As we enter 2017, we welcome a renewed focus on every aspect of our business



Moving forward, we will focus on:

- ✓ Maximizing our cash flow generation
- ✓ Protecting our financial margins and reducing our debt
- ✓ Advancing our CoEs' big transformational initiatives
- ✓ Growing sparkling beverages while diversifying aggressively in still
- ✓ Enriching our close, accretive relationship with The Coca-Cola Company
- ✓ Attracting, retaining, and developing the best multicultural talent

and be ready to capture the next wave of growth...