



## Becle, S.A.B. de C.V. Reports Second Quarter 2019 Unaudited Financial Results

Mexico City, Mexico, July 24, 2019 /BUSINESSWIRE/ -- BECLE, S.A.B. de C.V. (“Cuervo”, “BECLE” or the “Company”) (BMV: CUERVO) today announced financial results for the quarter ended June 30, 2019.

All figures in this release are derived from the Interim Consolidated Financial Statements of the Company as of June 30, 2019 and for the three-month periods ended, and are prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” of the International Financial Reporting Standard (IFRS), which have been published in the Mexican Stock Exchange (BMV).

### Second Quarter 2019 highlights

- Volume increased 6.4% on an underlying basis to 5.6 million nine-liter cases;
- Net sales increased 3.8% on an underlying basis to P\$6,969 million pesos;
- Gross profit decreased 13.3% to P\$3,805 million pesos. Gross margin was 54.6%;
- EBITDA decreased 22.2% to P\$1,391 million pesos. EBITDA margin was 20.0% and;
- Earnings per share were P\$0.24.

All abovementioned increases and decreases have been determined in comparison to the corresponding period in the preceding year.

### Management commentary

Becle delivered strong first half of the year top line results, generating 11% net sales growth on an underlying basis (+7% reported). Depletion trends have been strong during the first half of the year and our growth is outpacing the broader spirits and tequila categories. The Company remains well positioned in the global spirits industry, with significant capital and conservative financial leverage to execute our long-term growth strategy.

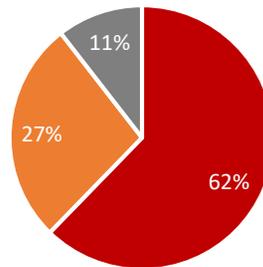
### Second Quarter 2019 results

#### Volume by region 2Q19 (in 000s nine-liter cases)

Region	2Q19	2Q18 PF*	2Q18	(Var. % YoY) PF*	(Var.% YoY)
U.S. & Canada	3,496	3,433	3,603	1.8%	-3.0%
Mexico	1,529	1,309	1,312	16.8%	16.5%
<u>Rest of the World</u>	<u>590</u>	<u>532</u>	<u>543</u>	<u>10.8%</u>	<u>8.6%</u>
Total	5,615	5,274	5,459	6.4%	2.9%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company in April of this year. For comparison purposes only.

## Volume breakdown by region 2Q19



■ U.S. & Canada ■ Mexico ■ Rest of the World

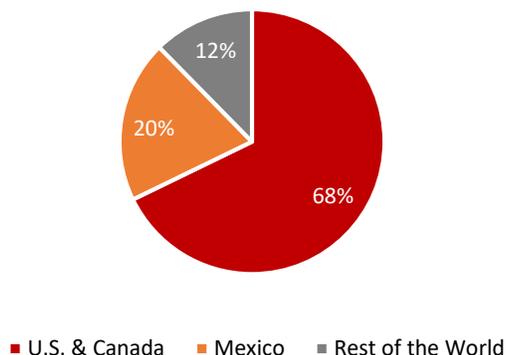
During the second quarter of 2019, total volume increased 6.4% on an underlying basis to 5.6 million nine-liter cases (+2.9% reported). The year-over-year growth reflected a 16.8% increase in Mexico on an underlying basis (+16.5% reported) driven by continued strong shipments of tequila and aggressive promotional activity, an 10.8% increase in the Rest of the World (RoW) region on an underlying basis (+8.6% reported), and a 1.8% growth in the U.S. and Canada on an underlying basis (-3.0% reported); driven by strong consumer take-away and depletion trends, led by continued strong growth of tequila.

### Net sales by region 2Q19 (in MXN\$ millions)

Region	2Q19	2Q18 PF*	2Q18	(Var. % YoY) PF*	(Var.% YoY)
U.S. & Canada	4,725	4,616	5,058	2.4%	-6.6%
Mexico	1,383	1,239	1,242	11.6%	11.4%
<u>Rest of the World</u>	<u>861</u>	<u>862</u>	<u>878</u>	<u>-0.1%</u>	<u>-1.9%</u>
Total	6,969	6,717	7,177	3.8%	-2.9%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company in April of this year and a base comparison effect resulting from the delay in billing of discounts in the U.S. from one of our large distributors that occurred during last year's second quarter. For comparison purposes only.

## Net sales breakdown by region 2Q19



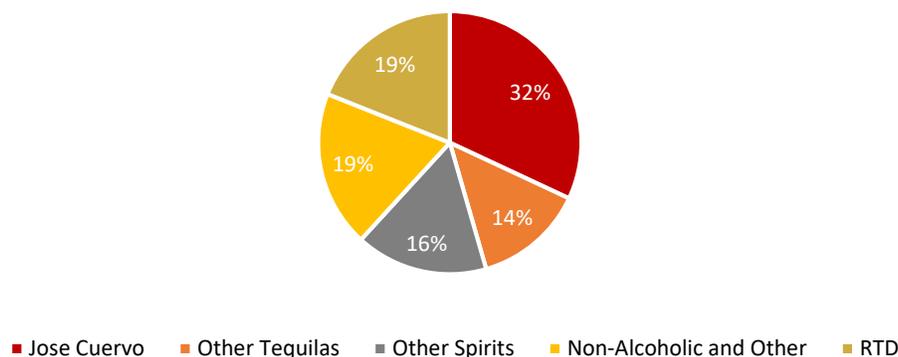
Second quarter 2019 net sales increased 3.8% on an underlying basis to P\$6,969 million pesos (-2.9% reported). Net sales in Mexico increased 11.6% on an underlying basis (+11.4% reported), primarily driven by the strong volume growth, partially offset by unfavorable sales mix. In the same period, U.S. and Canada net sales increased 2.4% on an underlying basis (-6.6% reported, primarily reflecting the non-renewal of the distribution agreement for the Cholula Food Company and a base comparison effect resulting from the delay in billing of discounts in the U.S. from one of our large distributors that occurred during last year's second quarter). Net sales of the RoW region decreased by 0.1% on an underlying basis (-1.9% reported) when compared to the second quarter of 2018.

### Volume by category 2Q19 (in 000s nine-liter cases)

Category	2Q19	2Q18 PF*	2Q18	(Var. % YoY) PF*	(Var.% YoY)
Jose Cuervo	1,794	1,647	1,647	8.9%	8.9%
Other Tequilas	762	706	706	8.1%	8.1%
Other Spirits	913	874	874	4.5%	4.5%
Non-Alcoholic and Other	1,080	1,051	1,235	2.7%	-12.6%
<u>RTD</u>	<u>1,065</u>	<u>997</u>	<u>997</u>	<u>6.8%</u>	<u>6.8%</u>
Total	5,615	5,274	5,459	6.4%	2.9%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company in April of this year. For comparison purposes only.

## Volume breakdown by category 2Q19



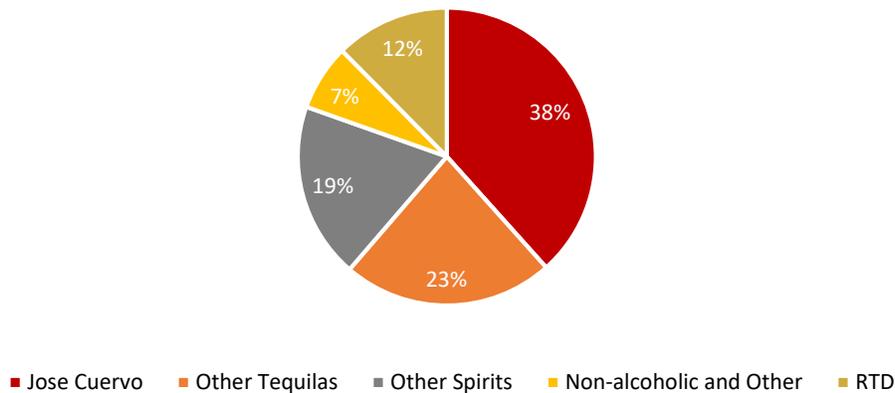
Volume of Jose Cuervo increased 8.9% compared to the same period in 2018 and represented 32.0% of total volume for the second quarter of 2019. The Company's Other Tequila brands represented 13.6% of total volume, with volume increasing 8.1% compared to the prior year period. The Company's Other Spirits brands represented 16.3% of total volume in the period and experienced a 4.5% increase in volume over the second quarter of 2018. Volume of Non-alcoholic and Other represented 19.2% of total volume and volume increased 2.7% on an underlying basis (-12.6% reported compared to the prior year period primarily driven by the non-renewal of the distribution agreement for the Cholula Food Company brand in April of this year). Volume of ready-to-drink (RTD) represented 19.0% of total volume and grew by 6.8% compared to the prior year period.

### Net sales by category 2Q19 (in MXN\$ millions)

Category	2Q19	2Q18 PF*	2Q18	(Var. % YoY) PF*	(Var.% YoY)
Jose Cuervo	2,674	2,543	2,601	5.2%	2.8%
Other Tequilas	1,599	1,470	1,486	8.8%	7.6%
Other Spirits	1,331	1,360	1,383	-2.1%	-3.8%
Non-alcoholic and other	500	517	861	-3.4%	-42.0%
<u>RTD</u>	<u>865</u>	<u>827</u>	<u>846</u>	<u>4.6%</u>	<u>2.2%</u>
Total	6,969	6,717	7,177	3.8%	-2.9%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company in April of this year and a base comparison effect resulting from the delay in billing of discounts in the U.S. from one of our large distributors that occurred during last year's second quarter. For comparison purposes only.

## Net sales breakdown by category 2Q19



Net sales of Jose Cuervo increased 5.2% on an underlying basis (+2.8% reported) compared to the same period in 2018 and represented 38.4% of total net sales for the second quarter of 2019. Net sales of the Company's Other Tequila brands increased 8.8% on an underlying basis (+ 7.6% reported) compared to the prior year period and represented 22.9% of total net sales. The Company's Other Spirits brands represented 19.1% of total net sales in the period and decreased 2.1% decrease in net sales on an underlying basis (- 3.8% reported) compared to the second quarter of last year. Net sales of Non-alcoholic and Other represented 7.2% of total net sales and decreased 3.4% on an underlying basis (- 42.0% reported compared to the prior year period reflecting the non-renewal of the distribution agreement for the Cholula Food Company and a base comparison effect resulting from the delay in billing of discounts in the U.S. from one of our large distributors that occurred during last year's second quarter). Net sales of RTDs represented 12.4% of total net sales and increased 4.6% on an underlying basis (+2.2% reported) compared to the prior year period.

Gross profit during the second quarter of 2019 decreased 13.3% over the same period in 2018 to P\$3,805 million pesos. Gross margin was 54.6% for the second quarter of 2019 compared to 61.1% for the second quarter of 2018. On a sequential basis, gross margin improved from 52.8% in the first quarter of 2019. The year-over-year decline in gross margin continues to reflect strong consumer demand for super premium tequilas, which has led to record high third-party agave prices, as well as lower production efficiencies due to industry-wide sourcing of younger agave plants, affecting our distilling efficiency.

Advertising, marketing and promotion (AMP) expenses decreased 6.9% to P\$1,601 million pesos when compared to the second quarter of 2018. As a percentage of net sales, AMP decreased to 23.0% from 24.0% in the prior year period. This decrease reflects the planned timing of AMP spend relative to the prior year period.

Selling and administrative (SG&A) expenses increased 14.7% to P\$724 million pesos when compared to the second quarter of 2018 mainly driven by a base effect of a reclassification of certain expenses into cost of goods sold during the same period of last year, with a neutral effect in operating profit. As a percentage of net sales, SG&A increased to 10.4% from 8.8% in the prior year period.

Operating profit during the second quarter of 2019 decreased 24.9% to P\$1,247 million pesos compared to the same period last year. Operating margin decreased to 17.9% as compared to 23.1% in the prior year period, primarily reflecting higher third-party agave supply costs and increased SG&A.

EBITDA in the second quarter of 2019 decreased 22.2% to P\$1,391 million pesos compared to the second quarter of 2018. EBITDA margin was 20.0% for the second quarter of 2019.

Net financial results were P\$88 million pesos during the second quarter of 2019, mainly driven by net interest expense. On a year-over-year basis net financial results had a 455 million pesos drop as a result of the Mexican peso appreciation.

Consolidated net income in the second quarter of 2019 decreased 40.9% to P\$858 million pesos, compared to P\$1,451 million pesos in the prior year period. Net margin was 12.3% for the second quarter of 2019, compared to 20.2% in the second quarter of 2018. Earnings per share were P\$0.24 in the second quarter of 2019, compared to P\$0.40 in the same period of the prior year.

#### **Financial position and cash flow**

As of June 30, 2019, cash and equivalents were P\$8,704 million pesos and total financial debt was P\$9,545 million pesos. During the first half of 2019, net cash flow from operating activities was P\$1,144 million pesos positive, and the Company used P\$742 million pesos in net investing activities. Cash used in financing activities was P\$3,447 million pesos for the first half of 2019.

## **IFRS 16: Leases**

IFRS 16 was issued on January 2016 and replaces existing lease guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Subsequently, the lessee recognizes an amortization expense of the assets by right of use and an interest expense on the lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases and only some disclosure requirements are added. For lessees, IFRS 16 also modifies its cash flows presentation related to leases, since cash flow outflows from operating activities are reduced and outflows of cash flows from financing activities increased.

The Company adopted IFRS 16 initially on January 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance (increase in assets and liabilities). As of January 1, 2019, with no restatement of comparative information.

## Conference call

The Company plans to host a conference call for investors at 9:00 a.m. Mexico City Time (10:00 a.m. U.S. Eastern Time) today, Wednesday, July 24, 2019, to discuss the Company's second quarter 2019 unaudited financial results. Interested parties may also listen to a simultaneous webcast of the conference call by logging onto the Company's website at <https://engage.vevent.com/rt/beclesadecvao~8966559> or [www.becle.com.mx](http://www.becle.com.mx).

## Second Quarter 2019 Unaudited Financial Results Conference Call and Webcast Details

Date: Wednesday, July 24, 2019

Time: 9:00 a.m. Mexico City Time (10:00 a.m. EST)

Participants: Juan Domingo Beckmann (CEO)  
Fernando Suárez (CFO)

Dial-in:

Mexico Toll-free	01 800 926-9147
U.S. Toll-free	1-(877) 263-0329
Toll/International	1-(469) 473-3797

Conference ID: **8966559**

Webcast: <https://engage.vevent.com/rt/beclesadecvao~8966559> or [www.becle.com.mx](http://www.becle.com.mx).

\*Those participating via webcast will be unable to participate in live Q&A

## About Becele

*Becele is a globally renowned company in the spirits industry and the world's largest producer of tequila. Its extraordinary portfolio of over 30 spirits brands, some of them owned, some of them agency brands distributed only in Mexico, has been developed throughout the years to participate in key categories with high growth potential, serving the world's most important alcoholic beverage markets and attending key consumer preferences and tendencies. The portfolio strength of Becele is based in the profound legacy of its iconic internally developed brands such as Jose Cuervo®, combined with complementary acquisitions such as Three Olives®, Hangar 1®, Stranahan's®, Bushmills®, Pendleton® and Boodles®, as well as a relentless focus on innovation that during the years has created renowned brands such as 1800®, Maestro Dobel®, Centenario®, Kraken®, Jose Cuervo® Margaritas and b:oost®, among others. Some of Becele's brands are sold and distributed in more than 85 countries.*

## EBITDA

*EBITDA is a measure used in the Company's financial analysis that is not recognized under IFRS but is calculated from amounts that derive from the Company's Financial Statements. We calculate EBITDA as net income plus depreciation and amortization, income tax expense, and interest expense, less interest income, plus foreign exchange loss (gain).*

*EBITDA is not an IFRS measure of liquidity or performance, nor is EBITDA a recognized financial measure under IFRS. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods on a combined basis, but these metrics may be calculated differently by other issuers. EBITDA should not be construed as alternatives to (i) net income as an indicator of the Company's operating performance or (ii) cash flow from operating activities as a measure of the Company's liquidity.*

**Disclaimer**

*This press release contains certain forward-looking statements which are based on Becele's current expectations and observations. Actual results obtained may vary significantly from these estimates. The information related to future performance contained in this press release should be read jointly with the risks included in the "Risk Factors" section of the Annual Report filed with the Comision Nacional Bancaria y de Valores (Mexican National Banking and Securities Commission). This information, as well as future statements made by Becele or by any of its legal representatives, either in writing or verbally, may vary significantly from the actual results obtained. These forward-looking statements speak only as of the date on which they are made, and no assurance can be made as to the actual results obtained. Becele undertakes no obligation and does not intend to update or review any of such forward-looking statements, whether as a result of new information, future developments and other related events.*

**Investor Relations:**

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## Consolidated statement of comprehensive income

	Second quarter ended June 30, 2019			Second quarter ended June 30, 2018		Year over year variance	
	(U.S. \$) <sup>(1)</sup>	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
<b>Net sales</b>	<b>364</b>	<b>6,969</b>		<b>7,177</b>		<b>(208)</b>	<b>(2.9)</b>
Cost of goods sold	165	3,164	45.4	2,790	38.9	374	13.4
<b>Gross profit</b>	<b>199</b>	<b>3,805</b>	<b>54.6</b>	<b>4,387</b>	<b>61.1</b>	<b>(582)</b>	<b>(13.3)</b>
Advertising, marketing and promotion	84	1,601	23.0	1,721	24.0	(119)	(6.9)
Distribution	12	234	3.4	312	4.4	(78)	(24.9)
Selling and administrative	38	724	10.4	631	8.8	93	14.7
Other (income) expenses, net	(0)	(2)	0.0	62	0.9	(64)	(103.4)
<b>Operating profit</b>	<b>65</b>	<b>1,247</b>	<b>17.9</b>	<b>1,661</b>	<b>23.1</b>	<b>(414)</b>	<b>(24.9)</b>
Financial results, net	5	88	1.3	(367)	-5.1	455	(124.1)
<b>Profit before income taxes</b>	<b>61</b>	<b>1,159</b>	<b>16.6</b>	<b>2,028</b>	<b>28.3</b>	<b>(869)</b>	<b>(42.8)</b>
Total income taxes	16	301	4.3	577	8.0	(276)	(47.8)
<b>Consolidated net income</b>	<b>45</b>	<b>858</b>	<b>12.3</b>	<b>1,451</b>	<b>20.2</b>	<b>(593)</b>	<b>(40.9)</b>
Non-controlling interest	1	11	0.2	(1)	0.0	NM	NM
<b>Controlling net income</b>	<b>44</b>	<b>846</b>	<b>12.1</b>	<b>1,451</b>	<b>20.2</b>	<b>(605)</b>	<b>(41.7)</b>
Depreciation and amortization	8	144		126			
<b>EBITDA</b>	<b>73</b>	<b>1,391</b>	<b>20.0</b>	<b>1,787</b>	<b>24.9</b>	<b>(396)</b>	<b>(22.2)</b>
<b>Earnings per share</b>	<b>0.01</b>	<b>0.24</b>		<b>0.40</b>			
<b>Shares (in millions) used in calculation of earnings per share</b>	<b>3,586</b>	<b>3,586</b>		<b>3,585</b>			

(1) U.S. dollars translated at 19.1250 Mexican pesos solely for the convenience of the reader

## Consolidated statement of comprehensive income

(Figures in millions, except per share amounts)	Six months ended June 30, 2019			Six months ended June 30, 2018		Year over year variance	
	(U.S. \$) <sup>(1)</sup>	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
<b>Net sales</b>	<b>639</b>	<b>12,247</b>		<b>11,483</b>		<b>763</b>	<b>6.6</b>
Cost of goods sold	295	5,657	46.2	4,452	38.8	1,206	27.1
<b>Gross profit</b>	<b>344</b>	<b>6,589</b>	<b>53.8</b>	<b>7,032</b>	<b>61.2</b>	<b>(442)</b>	<b>(6.3)</b>
Advertising, marketing and promotion	139	2,667	21.8	2,551	22.2	116	4.5
Distribution	24	454	3.7	504	4.4	(50)	(10.0)
Selling and administrative	74	1,416	11.6	1,313	11.4	103	7.8
Other (income) expenses, net	(9)	(181)	-1.5	46	0.4	(227)	(496.2)
<b>Operating profit</b>	<b>117</b>	<b>2,234</b>	<b>18.2</b>	<b>2,618</b>	<b>22.8</b>	<b>(384)</b>	<b>(14.7)</b>
Financial results, net	7	125	1.0	412	3.6	(287)	(69.7)
<b>Profit before income taxes</b>	<b>110</b>	<b>2,109</b>	<b>17.2</b>	<b>2,206</b>	<b>19.2</b>	<b>(97)</b>	<b>(4.4)</b>
Total income taxes	29	548	4.5	613	5.3	(65)	(10.6)
<b>Consolidated net income</b>	<b>81</b>	<b>1,561</b>	<b>12.7</b>	<b>1,593</b>	<b>13.9</b>	<b>(32)</b>	<b>(2.0)</b>
Non-controlling interest	(0)	(1)	0.0	0	0.0	NM	NM
<b>Controlling net income</b>	<b>82</b>	<b>1,561</b>	<b>12.8</b>	<b>1,592</b>	<b>13.9</b>	<b>(31)</b>	<b>(1.9)</b>
Depreciation and amortization	16	304		244			
<b>EBITDA</b>	<b>132</b>	<b>2,538</b>	<b>20.7</b>	<b>2,861</b>	<b>24.9</b>	<b>(324)</b>	<b>(11.3)</b>
<b>Earnings per share</b>	<b>0.02</b>	<b>0.44</b>		<b>0.44</b>			
<b>Shares (in millions) used in calculation of earnings per share</b>	<b>3,586</b>	<b>3,586</b>		<b>3,585</b>			

(1) U.S. dollars translated at 19.1587 Mexican pesos solely for the convenience of the reader

## Consolidated statement of financial position

(Figures in millions)	(U.S. \$) <sup>(1)</sup>	June 30, 2019 (Pesos)	December 31, 2018 (Pesos)
<b>Assets</b>			
Cash and cash equivalents	454	8,704	12,028
Accounts receivable, net	290	5,556	8,536
Inventories, net	599	11,490	8,162
Other current assets	168	3,229	2,502
<b>Total current assets</b>	<b>1,512</b>	<b>28,979</b>	<b>31,228</b>
Non-current inventories	379	7,263	6,859
Property, plant and equipment, net	311	5,965	5,506
Right-of-use assets	101	1,942	0
Deferred tax Asset	74	1,417	1,454
Intangible assets and trademarks, net	744	14,263	14,664
Goodwill	323	6,192	6,354
Other assets	33	639	646
<b>Total long-term assets</b>	<b>1,966</b>	<b>37,681</b>	<b>35,483</b>
<b>Total assets</b>	<b>3,478</b>	<b>66,660</b>	<b>66,711</b>
<b>Liabilities &amp; stockholders' equity</b>			
Current installment of notes payable to Banks	2	47	48
Trade accounts payable	120	2,293	2,594
Current lease liabilities	6	106	0
Accruals	87	1,658	2,348
Other liabilities	31	589	102
<b>Total current liabilities</b>	<b>245</b>	<b>4,694</b>	<b>5,092</b>
Long term debt, excluding current interest payable	495	9,498	9,745
Non-current lease liabilities	93	1,775	0
Environmental reserve	6	118	121
Other long-term liabilities	15	294	314
Deferred income taxes	192	3,679	3,568
<b>Total long-term liabilities</b>	<b>801</b>	<b>15,364</b>	<b>13,748</b>
<b>Total liabilities</b>	<b>1,046</b>	<b>20,057</b>	<b>18,840</b>
Total controlling interest	2,428	46,536	47,805
Non-controlling interest	3	66	67
<b>Total stockholders' equity</b>	<b>2,431</b>	<b>46,603</b>	<b>47,872</b>
<b>Total liabilities and stockholders' equity</b>	<b>3,478</b>	<b>66,660</b>	<b>66,711</b>

(1) U.S. dollars translated at 19.1685 Mexican pesos solely for the convenience of the reader

## Consolidated statement of cash flows

(Figures in millions)		Six months ended June 30, 2019	Six months ended June 30, 2018
	(U.S. \$) <sup>(1)</sup>	(Pesos)	(Pesos)
<b>Operating activities</b>			
Income before income taxes	110	2,109	2,206
Items relating to investing activities:			
Depreciation and amortization	16	304	244
Loss on sale of property, plant and equipment	1	15	16
Interest income	(6)	(110)	(83)
Items relating to financing activities:			
Cancellation of shares	61	1,170	0
Unrealized foreign exchange profit	(13)	(255)	64
Long term debt amortization	0	7	7
Interest expense	14	269	209
Subtotal	183	3,509	2,663
Changes in:			
Accounts receivable	154	2,952	2,006
Related parties	(6)	(108)	0
Other			
receivables	(30)	(569)	(606)
Inventories	(195)	(3,731)	(2,651)
Security deposits	(0)	(1)	0
Prepayments	(4)	(83)	(479)
Trade accounts payable	(9)	(178)	(226)
Other assets	0	4	98
Other liabilities	29	558	(574)
Accruals	(42)	(804)	(921)
Income taxes paid	(21)	(400)	(673)
Employee statutory profit sharing	(0)	(9)	(14)
Changes in direct employee benefits	0	4	(59)
Net cash from operating activities	60	1,144	(1,437)
<b>Investing activities</b>			
Investment in property, plant and equipment, net	(42)	(800)	(150)
Investment in intangible assets, net	(2)	(45)	(3,104)
Interest collected	6	110	83
Proceeds from sale of property, plant and equipment	0	7	2
Net cash used in investing activities	(39)	(742)	(3,177)
<b>Financing activities</b>			
Dividends paid	(102)	(1,962)	(1,819)
Repurchase of shares, net	6	107	(63)
Cancellation of shares	(61)	(1,170)	0
Payments of lease liability	(13)	(242)	0
Interest paid	(9)	(181)	(202)
Net cash used in financing activities	(180)	(3,447)	(2,084)
Net decrease in cash and cash equivalents	(159)	(3,045)	(6,698)
Impacts due to the fx rate on cash	(15)	(279)	140
<b>Cash and cash equivalents:</b>			
At beginning of the period	627	12,028	19,996
At end of period	454	8,704	13,438

(1) U.S. dollars translated at 19.1685 Mexican pesos solely for the convenience of the reader.

## Supplemental Information (unaudited)

### Volume by region 1H19 (in 000s nine-liter cases)

Region	H1 2019 PF*	H1 2019	H1 2018 PF*	H1 2018	(Var. % YoY) PF*	(Var.% YoY)
U.S. & Canada	5,473	5,664	5,068	5,402	8.0%	4.9%
Mexico	2,775	2,780	2,422	2,431	14.6%	14.4%
<u>Rest of the World</u>	<u>1,045</u>	<u>1,054</u>	<u>1,042</u>	<u>1,058</u>	<u>0.3%</u>	<u>-0.4%</u>
Total	9,293	9,498	8,532	8,891	8.9%	6.8%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company Sauce in April of this year. For comparison purposes only.

### Net sales by region 1H19 (in MXN\$ millions)

Region	H1 2019 PF*	H1 2019	H1 2018 PF*	H1 2018	(Var. % YoY) PF*	(Var.% YoY)
U.S. & Canada	7,771	8,107	6,918	7,645	12.3%	6.0%
Mexico	2,553	2,558	2,213	2,223	15.4%	15.1%
<u>Rest of the World</u>	<u>1,567</u>	<u>1,581</u>	<u>1,593</u>	<u>1,615</u>	<u>-1.6%</u>	<u>-2.1%</u>
Total	11,891	12,246	10,724	11,483	10.9%	6.6%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company in April of this year and a base comparison effect resulting from the delay in billing of discounts in the U.S. from one of our large distributors that occurred during last year's second quarter. For comparison purposes only.

**Supplemental Information (unaudited) - continued**

**Volume by category 1H19 (in 000s nine-liter cases)**

Category	H1 2019 PF*	H1 2019	H1 2018 PF*	H1 2018	(Var. % YoY) PF*	(Var.% YoY)
Jose Cuervo	2,898	2,898	2,669	2,669	8.6%	8.6%
Other Tequilas	1,311	1,311	1,211	1,211	8.3%	8.3%
Other Spirits	1,704	1,704	1,587	1,587	7.4%	7.4%
Non-Alcoholic and Other	1,826	2,031	1,656	2,015	10.3%	0.8%
<u>RTD</u>	<u>1,554</u>	<u>1,554</u>	<u>1,409</u>	<u>1,409</u>	<u>10.3%</u>	<u>10.3%</u>
Total	9,293	9,498	8,532	8,891	8.9%	6.8%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company in April of this year. For comparison purposes only.

**Net sales by category 1H19 (in MXN\$ millions)**

Category	H1 2019 PF*	H1 2019	H1 2018 PF*	H1 2018	(Var. % YoY) PF*	(Var.% YoY)
Jose Cuervo	4,316	4,316	3,885	3,943	11.1%	9.5%
Other Tequilas	2,635	2,635	2,378	2,394	10.8%	10.1%
Other Spirits	2,716	2,716	2,465	2,488	10.2%	9.2%
Non-Alcoholic and Other	947	1,302	839	1,482	12.9%	-12.1%
<u>RTD</u>	<u>1,277</u>	<u>1,277</u>	<u>1,157</u>	<u>1,176</u>	<u>10.4%</u>	<u>8.6%</u>
Total	11,891	12,246	10,724	11,483	10.9%	6.6%

\* Pro forma for the non-renewal of the distribution agreement for the Cholula Food Company in April of this year and a base comparison effect resulting from the delay in billing of discounts in the U.S. from one of our large distributors that occurred during last year's second quarter. For comparison purposes only.