



Becle, S.A.B. de C.V. Reports Fourth Quarter and Full Year 2021 Unaudited Financial Results

Mexico City, Mexico, February 17th, 2022 / -- BECLE, S.A.B. de C.V. (“Cuervo”, “Becle” or the “Company”) (BMV: CUERVO) announced its financial results today for the quarter and full year ended December 31st, 2021.

All figures in this release are derived from the Company’s interim consolidated financial statements as of December 31st, 2021, and for the three and twelve-month period ended on the same date, which are prepared in accordance with International Financial Reporting Standards (IFRS).

Fourth Quarter 2021 highlights

- Volume increased 5.5% to 7,887 million nine-liter cases;
- Net sales increased 22.4% to P\$13,128 million pesos;
- Gross profit increased 40.5% to P\$7,285 million pesos. Gross margin was 55.5%, an increase of 7.2 percentage points year over year;
- EBITDA increased 76.1% to P\$2,316 million pesos. EBITDA margin was 17.6%, an increase of 5.3 percentage points year over year;
- Consolidated net income increased 71.5% to P\$1,576 million pesos. Net margin was 12.0%, an increase of 3.4 percentage points year over year and;
- Earnings per share (“EPS”) was P\$0.44 pesos.

Full Year 2021 highlights

- Volume increased 8.0% to 25,557 million nine-liter cases;
- Net sales increased 12.5% to P\$39,419 million pesos;
- Gross profit increased 16.6% to P\$21,274 million pesos. Gross margin was 54.0%, an increase of 1.9 percentage points year over year;
- EBITDA increased 4.4% to P\$7,938 million pesos. EBITDA margin was 20.1%, a decrease of 1.6 percentage points year over year;
- Consolidated net income decreased 2.3% to P\$5,034 million pesos. Net margin was 12.8%, a decrease of 1.9 percentage points year over year and;
- EPS was P\$1.40 pesos.

All abovementioned increases and decreases are in comparison to the corresponding period from last year.



Management commentary

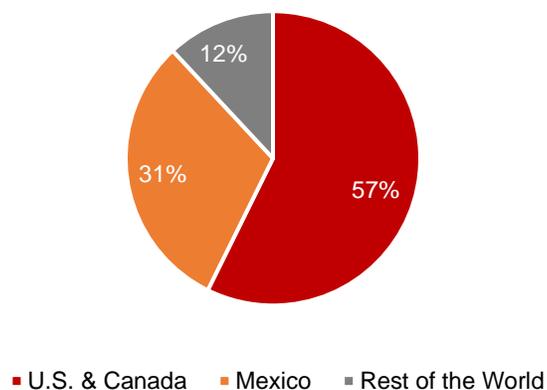
2021 was a turning point year for Beclé. The on-premise channel normalization while at the same time dealing with industry-wide supply chain challenges, allowed us to deliver very strong top line and financial performance. Despite cost inflation and supply chain constraints, we continue to enjoy favorable premiumization trends across our portfolio and geographical regions. Our performance continues to outpace the broader spirits industry, reflecting our attractive portfolio of brands and favorable positioning in key growth categories.

Fourth Quarter 2021 results

Volume by region 4Q21 (in 000s nine-liter cases)

Region	4Q21	4Q20	4Q19	YoY % Δ	2-Yr % Δ
				4Q21/4Q20	4Q21/4Q19
U.S. & Canada	4,520	4,090	3,914	10.5%	15.5%
Mexico	2,426	2,696	2,771	-10.0%	-12.5%
Rest of the World	941	693	883	35.8%	6.6%
Total	7,887	7,479	7,568	5.5%	4.2%

Volume Breakdown by Region 4Q21

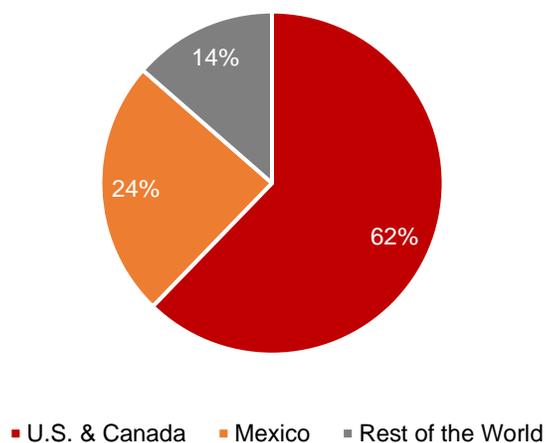


During the fourth quarter of 2021, total volume increased 5.5% to 7,887 million nine-liter cases. The Rest of the World (“RoW”) region had a 35.8% year on year volume increase which was mainly driven by the recovery of the on-premise channel in several of the countries in the region and a 10.5% year on year volume increase in the U.S. and Canada also due to strong on-premise sales and the Premium Tequila category performance. The RoW and U.S. & Canada regions increases were partially offset by a 10.0% volume decrease in Mexico, which was mainly due to supply chain constrains.

Net sales by region 4Q21 (in P\$, millions)

Region	4Q21	4Q20	4Q19	YoY % Δ	2-Yr % Δ
				4Q21/4Q20	4Q21/4Q19
U.S. & Canada	8,171	6,494	6,207	25.8%	31.6%
Mexico	3,179	2,957	2,836	7.5%	12.1%
Rest of the World	1,778	1,277	1,391	39.2%	27.8%
Total	13,128	10,729	10,434	22.4%	25.8%

Net Sales Breakdown by Region 4Q21

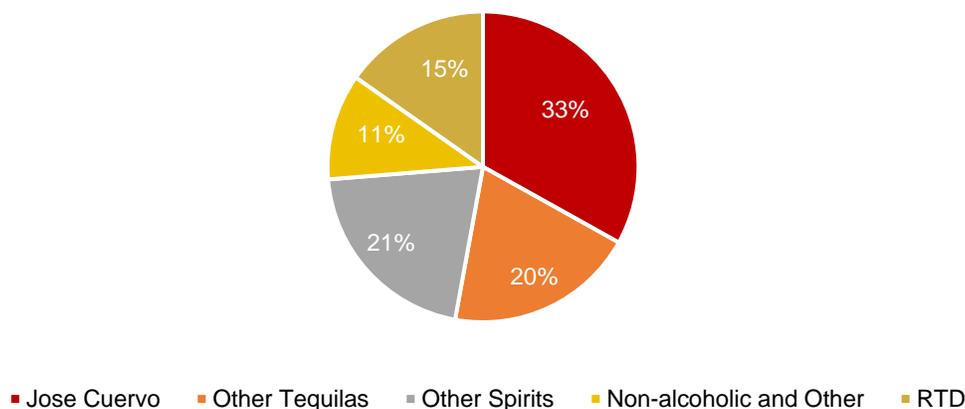


Fourth quarter 2021 net sales increased 22.4% year on year to P\$13,128 million pesos. Net sales for the U.S. and Canada region increased 25.8% when compared to the fourth quarter of 2020, primarily due to better price mix as a result of the sale of premium tequila brands. In the same period, net sales in Mexico increased 7.5%, mainly due to the continued reopening of the on-premise channel, pricing initiatives and sales of premium tequila brands. RoW net sales also increased 39.2% year on year, also primarily due to the continued easing of lockdowns and restrictions.

Volume by category 4Q21 (in 000s nine-liter cases)

Category				YoY % Δ	2-Yr % Δ
	4Q21	4Q20	4Q19	4Q21/4Q20	4Q21/4Q19
Jose Cuervo	2,611	2,089	2,644	25.0%	-1.2%
Other Tequilas	1,560	1,386	1,373	12.6%	13.6%
Other Spirits	1,643	1,728	1,785	-4.9%	-8.0%
Non-alcoholic and Other	872	1,114	960	-21.7%	-9.2%
RTD	1,202	1,161	806	3.5%	49.1%
Total	7,887	7,479	7,568	5.5%	4.2%

Volume Breakdown by Category 4Q21

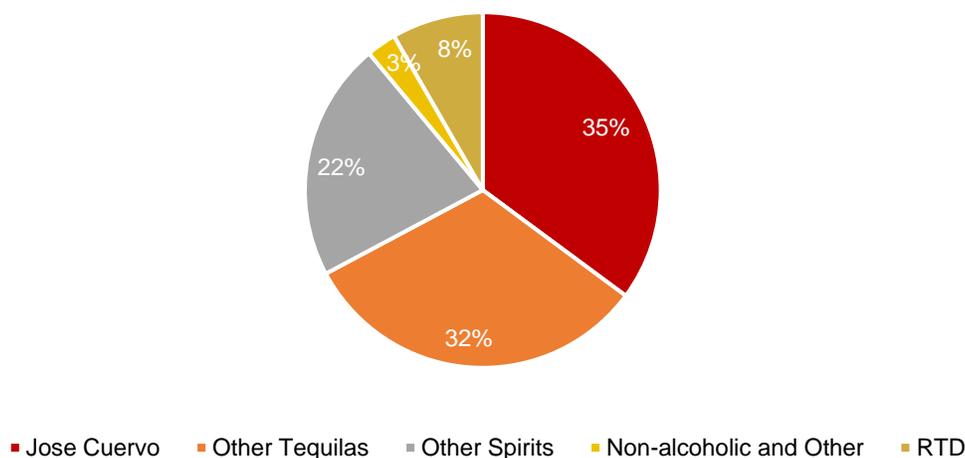


Volume of 'Jose Cuervo' increased 25.0% compared to the same period in 2020 and represented 33.1% of total volume for the fourth quarter of 2021. 'Other Tequilas' brands represented 19.8% of total volume, with volume increasing 12.6% compared to the prior year period. 'Other Spirits' brands represented 20.8% of total volume in the period and had a 4.9% decrease in volume compared to the fourth quarter of 2020. Volume of 'Non-alcoholic and Other' represented 11.1% of total volume and decreased 21.7% compared to the prior year period. Volume of 'RTD' represented 15.2% of total volume and increased by 3.5% compared to the same period in the previous year.

Net sales by category 4Q21 (in P\$, millions)

Category	4Q21	4Q20	4Q19	YoY % Δ 4Q21/4Q20	2-Yr % Δ 4Q21/4Q19
Jose Cuervo	4,614	3,324	3,825	38.8%	20.6%
Other Tequilas	4,210	3,260	2,949	29.1%	42.8%
Other Spirits	2,857	2,667	2,554	7.1%	11.9%
Non-alcoholic and other	354	452	437	-21.7%	-19.0%
RTD	1,092	1,026	669	6.4%	63.2%
Total	13,128	10,729	10,434	22.4%	25.8%

Net Sales Breakdown by Category 4Q21



Net sales of 'Jose Cuervo' increased 38.8% compared to the same period in 2020 and represented 35.1% of total net sales for the fourth quarter of 2021. Net sales of 'Other Tequilas' brands increased 29.1% compared to the prior year period and represented 32.1% of total net sales. 'Other Spirits' brands represented 21.8% of total net sales in the period and increased 7.1% compared to the fourth quarter of last year. Net sales of 'Non-alcoholic and Other' represented 2.7% of total net sales and decreased 21.7% compared to the prior year period. Net sales of 'RTD' represented 8.3% of total net sales and increased 6.4% compared to the same period in the previous year.



Gross profit during the fourth quarter of 2021 increased 40.5% compared to the same period of 2020 to P\$7,285 million pesos. Gross margin was 55.5% for the fourth quarter of 2021 compared to 48.3% for the same quarter of 2020. This gross margin increase was primarily driven by a stable agave pricing environment, better product mix and pricing initiatives in Mexico.

Advertising, marketing, and promotion (“AMP”) expenses in the fourth quarter of 2021 increased 34.8% to P\$3,420 million pesos when compared to the same quarter of 2020. The fourth quarter 2021 AMP expenses increase indicates the reactivation and phasing of AMP investment opportunities across both our regions and our brands, increasing spend in key categories and markets.

Distribution expenses increased 27.0% to P\$668 million pesos when compared to the fourth quarter of 2020, driven by increased freight, warehousing and logistics costs arising from the supply chain constraints and challenges.

Selling and administrative (“SG&A”) expenses increased 11.2% to P\$1,119 million pesos when compared to the fourth quarter of 2020, driven by an acceleration in sales. As a percentage of net sales, SG&A expenses decreased to 8.5% from 9.4% in the same period of 2020, driven by firm cost control management.

Operating income during the fourth quarter of 2021 increased 83.9% to P\$2,097 million pesos compared to the same period of 2020. Operating margin increased to 16.0% compared to 10.6% in the same prior year period.

EBITDA in the fourth quarter of 2021 increased 76.1% to P\$2,316 million pesos compared to the fourth quarter of 2020. EBITDA margin was 17.6% for the fourth quarter of 2021 versus 12.3% for the fourth quarter of 2020.

The net financial result was positive P\$138 million pesos during the fourth quarter of 2021 compared to negative P\$7 million pesos in the same period of 2020. This gain was mainly derived from an extraordinary benefit of P\$192 million pesos from debt modification under IFRS 9 as a result of our liability management exercise.

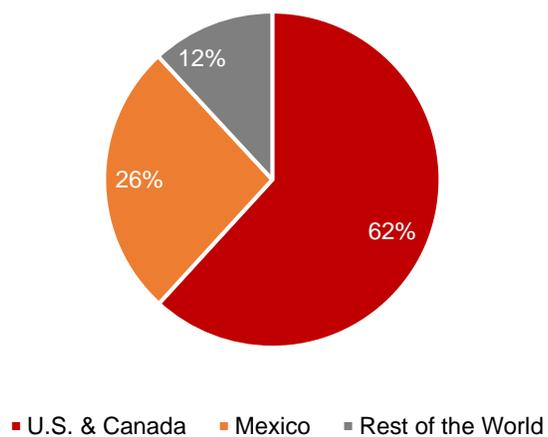
Consolidated net income in the fourth quarter of 2021 increased 71.5% to P\$1,576 million pesos, compared to P\$918 million pesos in 2020. Net margin was 12.0% for the fourth quarter of 2021, compared to 8.6% for the same quarter of 2020. EPS was P\$0.44 pesos in the fourth quarter of 2021.

Full Year 2021 Results

Volume by Region for Full Year 2021 (in 000s nine-liter cases)

Region	2021	2020	2019	YoY % Δ FY21/FY20	YoY % Δ FY21/FY19
U.S. & Canada	15,791	15,230	12,460	3.7%	26.7%
Mexico	6,731	6,237	7,297	7.9%	-7.8%
Rest of the World	3,035	2,187	2,560	38.8%	18.6%
Total	25,557	23,655	22,317	8.0%	14.5%

Volume Breakdown by Region 2021

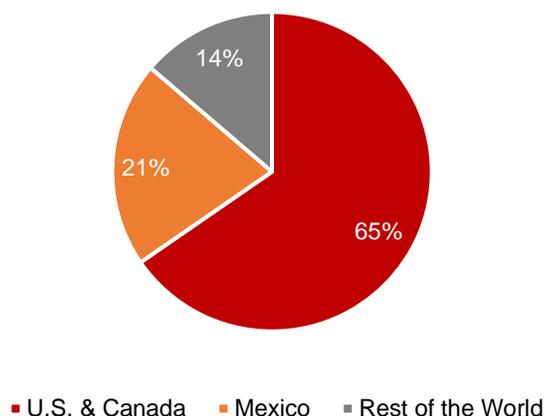


During the full year of 2021, total volume growth was 8.0% to 25.6 million nine-liter cases. This increase reflects a 3.7% increase in the U.S. and Canada, a 7.9% increase in volumes in Mexico and a 38.8% increase in the RoW region.

Net Sales by Region for Full Year 2021 (in MXN\$, millions)

Region	2021	2020	2019	YoY % Δ FY21/FY20	YoY % Δ FY21/FY19
U.S. & Canada	25,776	24,631	18,514	4.6%	39.2%
Mexico	8,234	6,619	7,248	24.4%	13.6%
Rest of the World	5,409	3,787	3,943	42.9%	37.2%
Total	39,419	35,036	29,705	12.5%	32.7%

Net Sales Breakdown by Region 2021

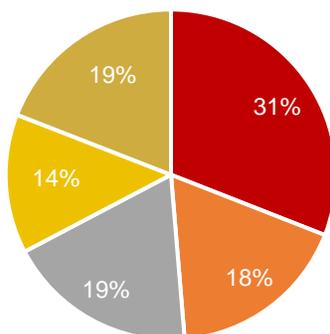


Net sales during the full year 2021 increased 12.5% to P\$39,419 million pesos compared to the same period in 2020, driven by volume growth and higher average net selling prices per case. This reflects the favorable region mix toward the U.S. and Canada. Net sales in the U.S. and Canada increased by 4.6% versus the same period in 2020, driven by volume growth, better price mix as a result of our premiumization strategy and Mexican peso depreciation against the U.S. dollar on a year over year basis. Mexico net sales increased 24.4% year on year due to higher average net selling prices per case mainly as a result of price increases. Net sales for the RoW region increased 42.9% versus the full year of 2020, reflecting volume growth due to the continued easing of lockdowns and restrictions.

Volume by Category for Full Year 2021 (in 000s nine-liter cases)

Category	2021	2020	2019	YoY Δ FY21/FY20	YoY Δ FY21/FY19
Jose Cuervo	7,909	7,325	7,296	8.0%	8.4%
Other Tequilas	4,530	3,684	3,574	23.0%	26.7%
Other Spirits	4,759	4,341	4,452	9.6%	6.9%
Non-alcoholic and Other	3,480	3,364	3,929	3.4%	-11.4%
RTD	4,878	4,940	3,067	-1.3%	59.0%
Total	25,557	23,655	22,317	8.0%	14.5%

Volume Breakdown by Category 2021



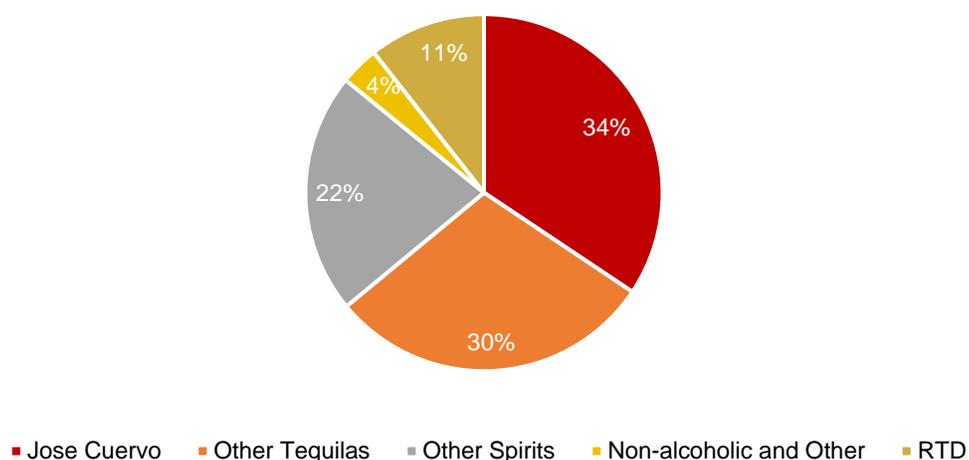
■ Jose Cuervo ■ Other Tequilas ■ Other Spirits ■ Non-alcoholic and Other ■ RTD

Volume of 'Jose Cuervo' grew 8.0% versus the previous year and represented 30.9% of total volume for the full year of 2021. The Company's 'Other Tequila' brands represented 17.7% of total volume and increased 23.0% compared to the prior year. The Company's 'Other Spirits' brands represented 18.6% of total volume in the period and increased 9.6% over the full year of 2020. Volume of 'Non-alcoholic and Other' represented 13.6% of total volume, increasing 3.4% compared to the prior year. Volume of 'RTD' represented 19.1% of total volume and decreased by 1.3% compared to the prior year period.

Net Sales by Category for Full Year 2021 (in MXN\$, millions)

Category	2021	2020	2019	YoY Δ FY21/FY20	YoY Δ FY21/FY19
Jose Cuervo	13,555	12,771	10,697	6.2%	26.7%
Other Tequilas	11,675	9,045	7,463	29.1%	56.4%
Other Spirits	8,629	7,228	6,765	19.4%	27.6%
Non-alcoholic and Other	1,385	1,476	2,273	-6.2%	-39.1%
RTD	4,176	4,515	2,507	-7.5%	66.6%
Total	39,419	35,036	29,705	12.5%	32.7%

Net Sales Breakdown by Category 2021



'Jose Cuervo' reported an increase in net sales of 6.1% compared to 2020, representing 34.4% of total net sales for the full year of 2021. The Company's 'Other Tequila' brands increased net sales 29.1% compared to the prior year representing 29.6% of total net sales. The Company's 'Other Spirits' brands represented 21.9% of total net sales in the period and reported a 19.4% increase in net sales compared to the full year of 2020. Net sales of 'Non-alcoholic and Other' represented 3.5% of total net sales with net sales declining 6.2% compared to the prior year. Net sales of 'RTD' represented 10.6% of total net sales and reported a decrease of 7.5% compared to the prior year.



Gross profit for the full year of 2021 increased 16.6% versus the same period in 2020 to P\$21,274 million pesos. Gross margin was 54.0% for the full year of 2021 compared to 52.1% for the full year of 2020. Gross margin was positively impacted primarily by pricing initiatives and better product mix.

AMP expenses increased 29.9% to P\$8,689 million pesos compared to the full year of 2020. As a percentage of net sales, AMP increased to 22.0% from 19.1% in 2020, in line with the Company's investment strategy.

Distribution expenses increased 47.0% to P\$2,028 million pesos when compared to 2020. As a percentage of net sales, distribution expenses increased to 5.1% from 3.9% in 2020.

Selling and administrative (SG&A) expenses increased 3.4% to P\$3,491 million pesos when compared to the full year of 2020. As a percentage of net sales, SG&A expenses decreased 70 basis points to 8.9% from 9.6% in 2020, driven by firm cost control and supported by an acceleration in sales.

During the full year of 2021, operating profit increased 3.3% to P\$7,121 million pesos compared to the prior year. Operating margin decreased to 18.1% compared to 19.7% in 2020.

EBITDA for the full year of 2021 increased by 4.4% to P\$7,938 million pesos compared to P\$7,607 million pesos for the full year of 2020. The EBITDA margin decreased to 20.1% compared to 21.7% in 2020.

Net financial result was a loss of P\$214 million pesos for the full year 2021 primarily driven by a net interest expense and partially offset by a net foreign exchange gain during the year.

Consolidated net income for the full year of 2021 was P\$5,034 million pesos, a decrease of 2.3% versus the prior year period. Net margin was 12.8% for the full year. Earnings per share were P\$1.40 compared to P\$1.43 in 2020.



Financial position and cash flow

As of December 31, 2021, cash and cash equivalents were P\$12,791 million pesos, and total financial debt was P\$18,598 million pesos. During 2021, the Company generated net cash from operating activities of P\$4,278 million pesos and used P\$5,645 million pesos in net investing activities. Net cash generated from financing activities was P\$6,033 million pesos for the year ended on December 31, 2021.

IFRS 9; IFRIC 16: Net investment hedge disclosures

Financial instruments to hedge net investments in foreign operations

Beginning January 1st, 2020, the Company designated its US\$500 million senior notes as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc., which is a sub-holding entity of the U.S. operations, with the objective of mitigating the exchange rate risk arising between the functional currency of these operations and the functional currency of the holding company that has such investment.

The Company formally designated and documented the hedging relationship, setting the objectives, risk-hedging strategy, identification of the hedging instrument, hedged item, nature of the risk to be hedged, and effectiveness assessment methodology. Since the exchange rate hedging relationship is clear, the method the Company used to assess the effectiveness consisted of a qualitative effectiveness test by comparing the critical terms between the hedging instruments and the hedged items.

Accounting policy

Net investment hedge in a foreign operation

The Company applies hedge accounting to the foreign exchange risk resulting from its investments in foreign operations because of changes in exchange rates arising between the functional currency of that operation and the functional currency of the holding company, regardless of whether the investment is held directly or through a sub-holder. The change in exchange rates is recognized in Other Comprehensive Income as part of the translation effect when the foreign operation is consolidated.

To this end, the Company designates the debt denominated in foreign currency as hedging instruments; therefore, the exchange effects arising from such debt are recognized in Other Comprehensive Income, in the translation effects line, to the extent that the hedge is effective. When the hedge is not effective, exchange rate differences are recognized in foreign exchange gain or loss in the consolidated income statement.

Conference Call

The Company plans to host a conference call for investors at 9:00 a.m. Mexico City Time (10:00 a.m. E.S.T.) on, Friday, February 18th, 2022, to discuss the Company's fourth quarter 2021 unaudited financial results. Interested parties may also listen to a simultaneous webcast of the conference call by logging in and registering directly at: <https://mm.closir.com/slides?id=623996> or www.becle.com.mx.

Fourth Quarter 2021 Unaudited Financial Results Conference Call and Webcast Details

Date: Friday, February 18th, 2022
Time: 9:00 a.m. Mexico City Time (10:00 a.m. E.S.T.)
Participants: Juan Domingo Beckmann (CEO)
Fernando Suárez (CFO)

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	Germany	+49 30 25 555 323

Conference ID: 623996

Webcast: <https://mm.closir.com/slides?id=623996> or www.becle.com.mx.

About Becele

Becle 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 delivering on key consumer preferences and tendencies.

Becle's portfolio strength is based on 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®, Boodles® and Proper No. Twelve®, as well as a relentless focus on innovation that over the years has created renowned brands such as 1800®, Maestro Dobel®, Centenario®, Kraken®, Jose Cuervo® Margaritas and B:oost®. 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 gain (loss).

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 an alternative 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 Comisión 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 such forward-looking statements, whether as a result of new information, future developments or other related events.

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Consolidated Income Statements

	Fourth quarter ended December 31st, 2021			Fourth quarter ended December 31st, 2020		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	638	13,128		10,729		2,400	22.4
Cost of goods sold	284	5,843	44.5	5,545	51.7	298	5.4
Gross profit	354	7,285	55.5	5,184	48.3	2,102	40.5
Advertising, marketing and promotion	166	3,420	26.0	2,537	23.6	883	34.8
Distribution	32	668	5.1	526	4.9	142	27.0
Selling and administrative	54	1,119	8.5	1,006	9.4	113	11.2
Other (income), net	(1)	(18)	(0.1)	(25)	(0.2)	7	(28.0)
Operating income	102	2,097	16.0	1,141	10.6	957	83.9
Financing results	(7)	(138)	(1.1)	7	0.1	(145)	(2071.4)
Income before income taxes	109	2,235	17.0	1,134	10.6	1,102	97.3
Income taxes	32	659	5.0	215	2.0	444	206.5
Consolidated net income	77	1,576	12.0	919	8.6	657	71.5
Non-controlling interest	(0)	(3)	0.0	3	0.0	(6)	(200.0)
Controlling interest	77	1,579	12.0	916	8.5	663	72.4
Depreciation and amortization	11	219	1.7	175	1.6	44	25.1
EBITDA	113	2,316	17.6	1,315	12.3	1,001	76.1
Earnings per share	0.02	0.44		0.26		0.18	71.5
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,591			

(1) U.S. dollars translated at 20.58 Mexican pesos solely for the convenience of the reader.

Consolidated Income Statements

	Twelve months ended December 31st, 2021			Twelve months ended December 31st, 2020		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	1,915	39,419		35,036		4,383	12.5
Cost of goods sold	882	18,145	46.0	16,790	47.9	1,355	8.1
Gross profit	1,034	21,274	54.0	18,246	52.1	3,028	16.6
Advertising, marketing and promotion	422	8,689	22.0	6,688	19.1	2,001	29.9
Distribution	99	2,028	5.1	1,380	3.9	648	47.0
Selling and administrative	170	3,491	8.9	3,377	9.6	114	3.4
Other (income), net	(3)	(55)	(0.1)	(92)	(0.3)	37	(40.2)
Operating income	346	7,121	18.1	6,893	19.7	228	3.3
Financing results	10	214	0.5	38	0.1	176	463.2
Income before income taxes	336	6,907	17.5	6,854	19.6	52	0.8
Income taxes	91	1,874	4.8	1,702	4.9	172	10.1
Consolidated net income	245	5,034	12.8	5,152	14.7	(120)	(2.3)
Non-controlling interest	1	14	0.0	6	0.0	8	133.3
Controlling interest	244	5,020	12.7	5,146	14.7	(128)	(2.5)
Depreciation and amortization	40	817	2.1	714	1.8	103	14.4
EBITDA	386	7,938	20.1	7,607	21.7	331	4.4
Earnings per share	0.07	1.40		1.43		(0.22)	(2.3)
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,591			

(1) U.S. dollars translated at 20.58 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Financial Position

	December 31st, 2021		December 31st, 2020
(Figures in millions)	(U.S. \$) ⁽¹⁾	(Pesos)	(Pesos)
Assets			
Cash and cash equivalents	621	12,791	7,646
Trade receivables	500	10,284	9,214
Related parties	1	14	57
Recoverable income tax	0	0	624
Other recoverable taxes and other receivables	47	966	1,291
Inventories	588	12,094	11,194
Financial Instruments at fair value through profit and loss	-	-	304
Biological assets	45	933	292
Prepayments	52	1,077	1,005
Total current assets	1,854	38,159	31,627
Inventories	320	6,588	5,960
Biological assets	285	5,867	4,895
Investments in associates	31	648	1,580
Property, plant and equipment	576	11,855	10,169
Intangible assets	1,002	20,628	15,447
Goodwill	340	6,992	6,891
Right-of-use assets	115	2,371	2,352
Deferred income tax	108	2,233	2,357
Employee benefits	21	435	235
Other assets	3	62	68
Total non-current assets	2,802	57,679	49,955
Total assets	4,656	95,838	81,582
Liabilities			
Senior Notes	5	102	49
Trade payables	223	4,594	3,062
Related parties	3	71	170
Lease liabilities	38	788	617
Other accounts payable	321	6,603	4,810
Total current liabilities	591	12,158	8,708
Senior Notes	899	18,495	9,907
Lease liabilities	89	1,840	1,844
Environmental reserve	7	140	126
Other liabilities	34	693	508
Deferred income taxes	198	4,068	5,743
Total non-current liabilities	1,226	25,236	18,129
Total liabilities	1,817	37,394	26,837
Stockholders' equity			
Stockholders' equity attributable to controlling interest	2,835	58,351	54,666
Non-controlling interest	5	93	79
Total stockholders' equity	2,839	58,444	54,745
Total liabilities and stockholders' equity	4,656	95,838	81,582

(1) U.S. dollars translated at 20.58 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Cash Flow

(Figures in millions)	Twelve months ended December 31 th , 2021	Twelve months ended December 31 th , 2020
(U.S. \$) ⁽¹⁾	(Pesos)	(Pesos)
Operating activities:		
Income before income taxes	336	6,908
Adjustment from items not implying cash flows:		
Depreciation and amortization	40	817
Loss on sale of property, plant and equipment	-	8
Non-cash items	(3)	(76)
Interest income	(12)	(247)
Unrealized foreign exchange	(28)	(586)
Interest expense	24	500
Equity method	(1)	(25)
Net cost for the period of employee benefits	1	20
Subtotal	356	7,319
(Increase) decrease in:		
Trade receivables	(51)	(1,043)
Related parties	(3)	(56)
Other recoverable taxes and other receivables	23	465
Inventories	(71)	(1,468)
Biological assets	(83)	(1,713)
Prepayments	(2)	(41)
Other assets	26	537
Increase (decrease) in:		
Trade payables	65	1,345
Other accounts payables	87	1,796
Employee benefits	0	2
Income taxes paid or recoverable	(139)	(2,864)
Net cash from operating activities	208	4,279
Investment activities		
Property, plant and equipment	(107)	(2,197)
Intangible assets	(148)	(3,053)
Investment in associates	(23)	(464)
Interest income	3	59
Sale of property, plant and equipment	1	10
Net cash flows used in investment activities	(274)	(5,645)
Financing activities		
Dividends paid	(75)	(1,546)
Repurchase of shares	-	-
Principal lease payment	(25)	(506)
Bank loan facility	151	3,107
Bank loan paid	(150)	(3,091)
Senior Note issued	414	8,529
Interest paid	(22)	(460)
Net cash flows used in financing activities	293	6,033
Net increase (decrease) of cash and cash equivalents	227	4,668
Cash and cash equivalents at beginning of year:		
At beginning of the period	371	7,646
Cash proceeds from acquisition	-	-
Effects of exchange rate changes on cash and cash equivalents	23	477
Cash and cash equivalents at end of year	621	12,791

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