



Becle, S.A.B. de C.V. Reports Fourth Quarter and Full Year 2022 Unaudited Financial Results

Mexico City, Mexico, February 16th, 2023 / -- BECLE, S.A.B. de C.V. (“Cuervo”, “Becle” or the “Company”) (BMV: CUERVO) announced its financial results today for the fourth quarter and full year ended December 31st, 2022.

All figures in this release are derived from the Company’s interim consolidated financial statements as of December 31st, 2022, and for the three and twelve-month periods ended on the same date, which are prepared in accordance with International Financial Reporting Standards (IFRS).

Fourth Quarter 2022 highlights

- Volume increased 3.8% to 8.2 million nine-liter cases;
- Net sales increased 5.1% to P\$13,801 million pesos;
- Gross profit increased 9.0% to P\$7,941 million pesos. Gross margin was 57.5%, an increase of 2.0 percentage points year over year;
- EBITDA increased 7.7% to P\$2,495 million pesos. EBITDA margin was 18.1%, an increase of 0.5 percentage points year over year;
- Consolidated net income decreased 11.4% to P\$1,396 million pesos. Net margin was 10.1%, a decrease of 1.9 percentage points year over year and;
- Earnings per share (“EPS”) were P\$0.39 pesos.

Full Year 2022 highlights

- Volume increased 7.4% to 27.5 million nine-liter cases;
- Net sales increased 16.0% to P\$45,729 million pesos;
- Gross profit increased 17.9% to P\$25,087 million pesos. Gross margin was 54.9%, an increase of 0.9 percentage points year over year;
- EBITDA increased 24.0% to P\$9,843 million pesos. EBITDA margin was 21.5%, an increase of 1.4 percentage points year over year;
- Consolidated net income increased 16.8% to P\$5,881 million pesos. Net margin was 12.9%, an increase of 0.1 percentage points year over year and;
- EPS were P\$1.64 pesos.

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



Management commentary

“In 2022, we continued to benefit from the premium spirits trend, on-premise openings, and our mitigation of supply chain challenges, in the face of inflationary pressures. Our long-held belief in tequila as a top premium spirit is proving correct as tequila recently overtook American whiskey to become the second most valuable spirit in the US and is set to surpass vodka by the end of 2023, according to IWSR ⁽¹⁾. Becele’s diverse portfolio, with its desirable premium-plus options in high-growth geographies, is well positioned to continue its success.”

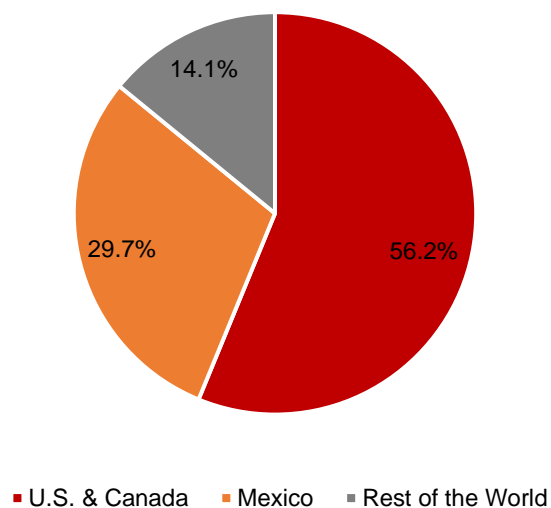
(1) International Wine and Spirits (“IWSR”)

Fourth Quarter 2022 results

Volume by region 4Q22 (in 000s nine-liter cases)

Region	4Q22	4Q21	YoY % Δ 4Q22/4Q21
U.S. & Canada	4,599	4,520	1.8%
Mexico	2,431	2,426	0.2%
Rest of the World	1,153	941	22.5%
Total	8,184	7,887	3.8%

Volume Breakdown by Region 4Q22

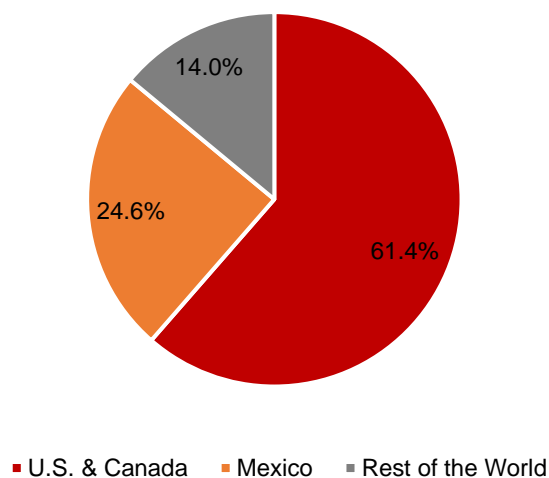


During the fourth quarter of 2022, total volume increased 3.8% to 8,184 million nine-liter cases, explained by a 0.2%, 1.8% and 22.5% growth in Mexico, U.S. and Canada and Rest of the World (“RoW”), respectively. This increase reflects the strong performance in our premium Tequila and Whiskey portfolio, along with the recovery of the on-premise channel in most RoW countries.

Net sales by region 4Q22 (in P\$, millions)

Region	4Q22	4Q21	YoY % Δ 4Q22/4Q21
U.S. & Canada	8,477	8,171	3.7%
Mexico	3,395	3,179	6.8%
Rest of the World	1,929	1,778	8.5%
Total	13,801	13,128	5.1%

Net Sales Breakdown by Region 4Q22

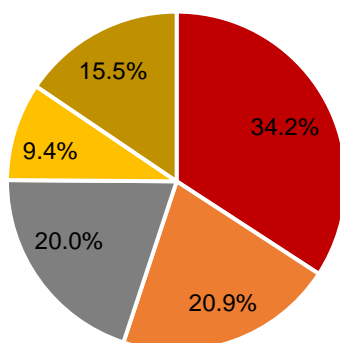


Fourth quarter 2022 net sales increased 5.1% year on year to P\$13,801 million pesos. Net sales for the U.S. and Canada region increased 3.7% when compared to the fourth quarter of 2021, primarily due to better price mix from premium tequila brand sales, and was partially offset by unfavorable currency translation effects from the U.S. dollars to Mexican pesos. In the same period, net sales in Mexico increased 6.8%, mainly due to pricing initiatives and premium tequila brand sales. RoW net sales increased 8.5% year on year on the back of strong volume growth, and was partially offset by unfavorable currency translation effects of some of our operating currencies into Mexican Pesos.

Volume by category 4Q22 (in 000s nine-liter cases)

Category	4Q22	4Q21	YoY % Δ 4Q22/4Q21
Jose Cuervo	2,797	2,611	7.1%
Other Tequilas	1,710	1,560	9.6%
Other Spirits	1,639	1,643	-0.2%
Non-alcoholic and Other	766	872	-12.2%
RTD	1,271	1,202	5.7%
Total	8,184	7,887	3.8%

Volume Breakdown by Category 4Q22



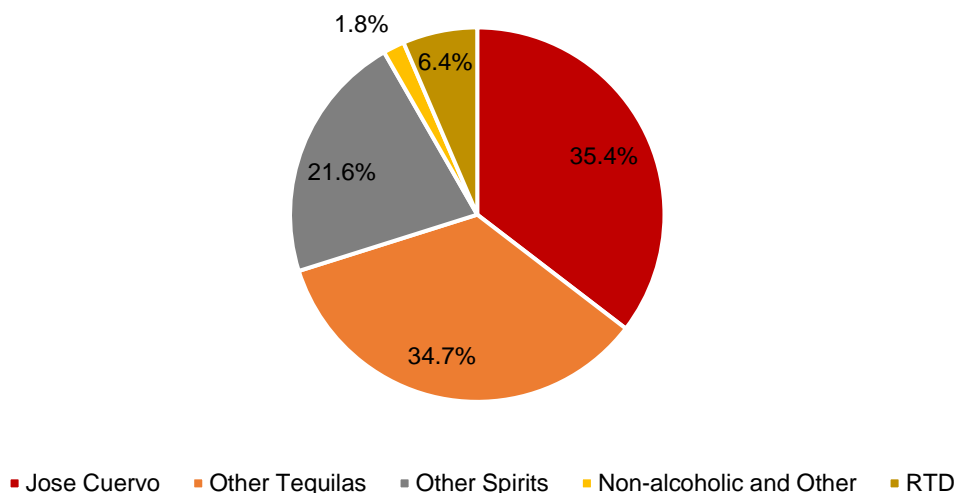
■ Jose Cuervo ■ Other Tequilas ■ Other Spirits ■ Non-alcoholic and Other ■ RTD

Volume of 'Jose Cuervo' increased 7.1% compared to the same period of 2021 and represented 34.2% of total volume for the fourth quarter of 2022. 'Other Tequilas' brands represented 20.9% of total volume, with volume increasing 9.6% compared to the prior year period. 'Other Spirits' brands represented 20.0% of total volume in the period and had a 0.2% decrease in volume compared to the fourth quarter of 2021. Volume of 'Non-alcoholic and Other' represented 9.4% of total volume and decreased 12.2% compared to the prior year period. Volume of 'RTD' represented 15.5% of total volume and increased by 5.7% compared to the same period of the previous year.


Net sales by category 4Q22 (in P\$, millions)

Category	4Q22	4Q21	YoY % Δ 4Q22/4Q21
Jose Cuervo	4,886	4,614	5.9%
Other Tequilas	4,792	4,210	13.8%
Other Spirits	2,978	2,857	4.2%
Non-alcoholic and other	255	354	-28.0%
RTD	889	1,092	-18.6%
Total	13,801	13,128	5.1%

Net Sales Breakdown by Category 4Q22



Net sales of 'Jose Cuervo' increased 5.9% compared to the same period of 2021 and represented 35.4% of total net sales for the fourth quarter of 2022. Net sales of 'Other Tequilas' brands increased 13.8% compared to the prior year period and represented 34.7% of total net sales. 'Other Spirits' brands represented 21.6% of total net sales in the period and increased 4.2% compared to the fourth quarter of last year. Net sales of 'Non-alcoholic and Other' represented 1.8% of total net sales and decreased 28.0% compared to the prior year period. Net sales of 'RTD' represented 6.4% of total net sales and decreased 18.6% compared to the same period of the previous year.



Gross profit during the fourth quarter of 2022 increased 9.0% compared to the same period of 2021 to P\$7,941 million pesos. Gross margin was 57.5% for the fourth quarter of 2022 compared to 55.5% for the same quarter of 2021. This gross margin increase was primarily driven by a stable agave pricing environment, improved product mix and pricing initiatives across all regions.

Advertising, marketing, and promotion (“AMP”) expenses in the fourth quarter of 2022 increased 15.4% to P\$3,946 million pesos when compared to the same quarter of 2021. The fourth quarter 2022 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 decreased 1.6% to P\$657 million pesos when compared to the fourth quarter of 2021, driven by decreased freight, warehousing and logistics costs arising from reduced supply chain constraints.

Selling and administrative (“SG&A”) expenses increased 2.5% to P\$1,146 million pesos when compared to the fourth quarter of 2021. As a percentage of net sales, SG&A expenses decreased to 8.3% from 8.5% in the same period of 2021, driven by firm cost control management.

Operating income during the fourth quarter of 2022 increased 4.1% to P\$2,183 million pesos compared to the same period of 2021. Operating margin decreased to 15.8% compared to 16.0% in the fourth quarter of the prior year.

EBITDA in the fourth quarter of 2022 increased 7.7% to P\$2,495 million pesos compared to the fourth quarter of 2021. EBITDA margin was 18.1% for the fourth quarter of 2022 versus 17.6% for the fourth quarter of 2021.

The net financial result was negative P\$230 million pesos during the fourth quarter of 2022 compared to positive P\$138 million pesos in the same period of 2021. This result was mainly derived from higher net interest expenses versus the same period of the prior year, as well as a difficult comparison basis due to an extraordinary gain of P\$192 million pesos in the prior year period, from debt modification under IFRS 9 as a result of our liability management exercise. Excluding this extraordinary gain of P\$192 million pesos, the net financial result on a pro forma basis for the fourth quarter of 2021 was negative P\$54 million pesos.

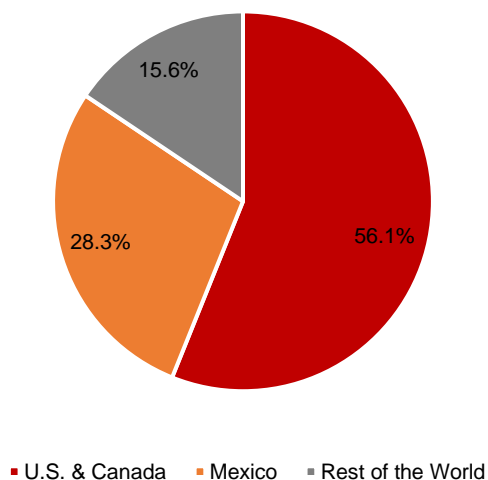
Consolidated net income in the fourth quarter of 2022 decreased 11.4% to P\$1,396 million pesos, compared to P\$1,576 million pesos in 2021. Net margin was 10.1% for the fourth quarter of 2022, compared to 12.0% for the same quarter of 2021. EPS was P\$0.39 pesos in the fourth quarter of 2022. On a pro-forma basis, consolidated net income would have decreased 3.1% to P\$1,396 million pesos, compared to P\$1,441 million pesos in 2021.

Full Year 2022 Results

Volume by Region for Full Year 2022 (in 000s nine-liter cases)

Region	2022	2021	YoY % Δ FY22/FY21
U.S. & Canada	15,397	15,791	-2.5%
Mexico	7,774	6,731	15.5%
Rest of the World	4,279	3,035	41.0%
Total	27,450	25,557	7.4%

Volume Breakdown by Region 2022

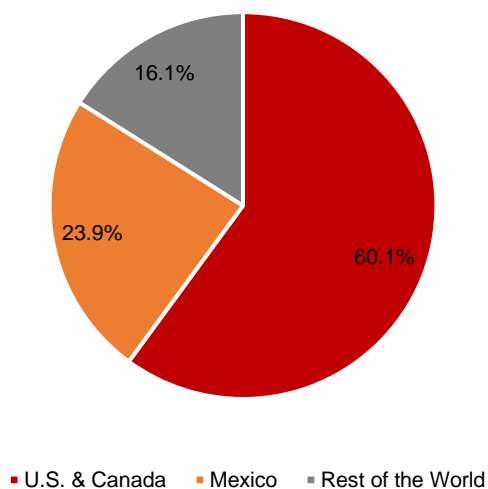


During the full year of 2022, total volume grew 7.4% to 27.4 million nine-liter cases. This increase reflects a 15.5% volume expansion in Mexico and a 41.0% increase in the RoW region, partially offset by a 2.5% decrease in the U.S. and Canada.

Net Sales by Region for Full Year 2022 (in MXN\$, millions)

Region	2022	2021	YoY % Δ FY22/FY21
U.S. & Canada	27,466	25,776	6.6%
Mexico	10,923	8,234	32.7%
Rest of the World	7,340	5,409	35.7%
Total	45,729	39,419	16.0%

Net Sales Breakdown by Region 2022

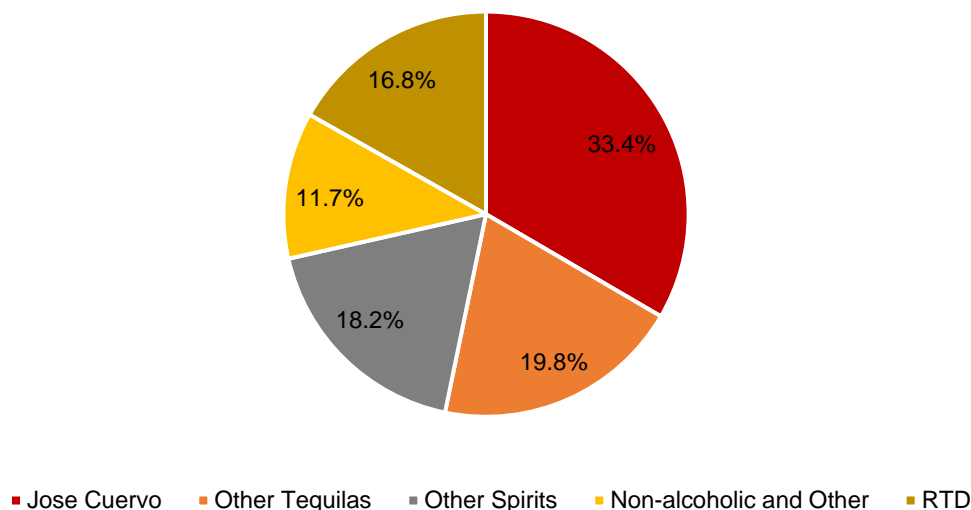


Net sales during the full year 2022 increased 16.0% to P\$45,729 million pesos compared to the same period of 2021, driven by volume growth and higher average net selling prices per case. Net sales in the U.S. and Canada increased by 6.6% versus the same period of 2021, driven by better price mix as a result of our premiumization strategy and partially offset by a 2.5% decrease in volume and Mexican peso appreciation against the U.S. dollar on a year over year basis. Mexico net sales increased 32.7% 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 35.7% versus the full year of 2021, reflecting volume growth.

Volume by Category for Full Year 2022 (in 000s nine-liter cases)

Category	2022	2021	YoY % Δ FY22/FY21
Jose Cuervo	9,172	7,909	16.0%
Other Tequilas	5,447	4,530	20.2%
Other Spirits	4,999	4,759	5.0%
Non-alcoholic and Other	3,215	3,480	-7.6%
RTD	4,617	4,878	-5.4%
Total	27,450	25,557	7.4%

Volume Breakdown by Category 2022

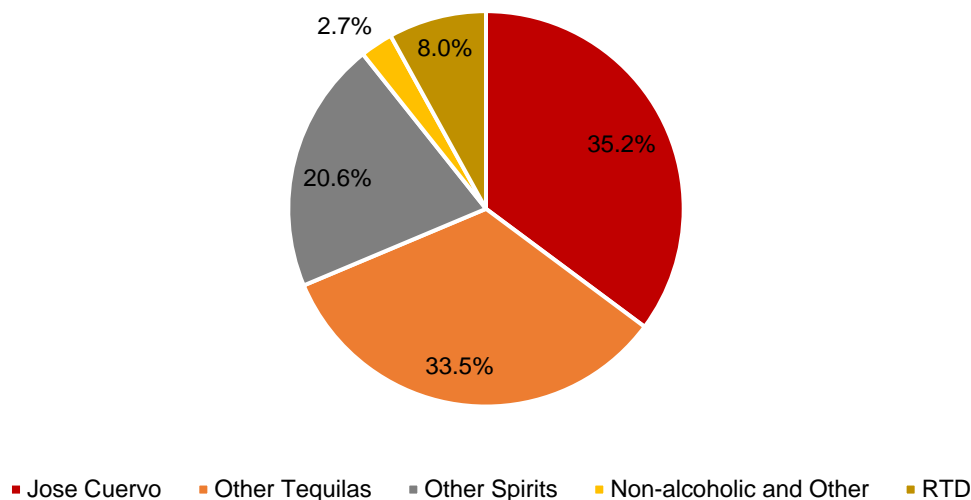


Volume of 'Jose Cuervo' grew 16.0% versus the previous year and represented 33.4% of total volume for the full year of 2022. The Company's 'Other Tequila' brands represented 19.8% of total volume and increased 20.2% compared to the prior year. The Company's 'Other Spirits' brands represented 18.2% of total volume in the period and increased 5.0% over the full year 2021. Volume of 'Non-alcoholic and Other' represented 11.7% of total volume, decreasing 7.6% compared to the prior year. Volume of 'RTD' represented 16.8% of total volume and decreased by 5.4% compared to the prior year period.


Net Sales by Category for Full Year 2022 (in MXN\$, millions)

Category	2022	2021	YoY % Δ FY22/FY21
Jose Cuervo	16,086	13,555	18.7%
Other Tequilas	15,315	11,675	31.2%
Other Spirits	9,436	8,629	9.4%
Non-alcoholic and Other	1,228	1,385	-11.3%
RTD	3,664	4,176	-12.3%
Total	45,729	39,419	16.0%

Net Sales Breakdown by Category 2022



'Jose Cuervo' reported an increase in net sales of 18.7% compared to 2021, representing 35.2% of total net sales for the full year of 2022. The Company's 'Other Tequila' brands net sales increased 31.2% compared to the prior year representing 33.5% of total net sales. The Company's 'Other Spirits' brands represented 20.6% of total net sales in the period and reported a 9.4% increase in net sales compared to the full year of 2021. Net sales of 'Non-alcoholic and Other' represented 2.7% of total net sales, an 11.3% net sales decline compared to the prior year. Net sales of 'RTD' represented 8.0% of total net sales and reported a decrease of 12.3% compared to the prior year.



Gross profit for the full year of 2022 increased 17.9% versus the same period of 2021 to P\$25,087 million pesos. Gross margin was 54.9% for the full year of 2022 compared to 54.0% for the full year of 2021. Gross margin was positively impacted primarily by pricing initiatives and improved product mix across all regions.

AMP expenses increased 17.0% to P\$10,162 million pesos compared to the full year of 2021. As a percentage of net sales, AMP increased 20 basis points to 22.2%, in line with the Company's investment strategy.

Distribution expenses increased 8.1% to P\$2,193 million pesos when compared to 2021. As a percentage of net sales, distribution expenses decreased to 4.8% from 5.1% in 2021, driven by decreased freight, warehousing and logistics costs arising from reduced supply chain constraints.

Selling and administrative (SG&A) expenses increased 11.1% to P\$3,877 million pesos when compared to the full year of 2021. As a percentage of net sales, SG&A expenses decreased 40 basis points to 8.5% from 8.9% in 2021, driven by firm cost controls.

During the full year of 2022, operating profit increased 24.8% to P\$8,890 million pesos compared to the prior year. Operating margin increased to 19.4% compared to 18.1% in 2021.

EBITDA for the full year of 2022 increased by 24.0% to P\$9,843 million pesos compared to P\$7,938 million pesos for the full year of 2021. The EBITDA margin increased to 21.5% compared to 20.1% in 2021.

Net financial result was a loss of P\$620 million pesos for the full year 2022, primarily driven by a higher net interest expense and a lower net foreign exchange gain during the year, as compared to the previous year.

Consolidated net income for the full year of 2022 was P\$5,881 million pesos, an increase of 16.8% versus the prior year period. Net margin was 12.9% for the full year. Earnings per share were P\$1.64 compared to P\$1.40 in 2021.



Financial position and cash flow

As of December 31, 2022, cash and cash equivalents were P\$4,521 million pesos, and total financial debt was P\$17,604 million pesos. During 2022, the Company used P\$1,744 million pesos of net cash from operating activities and P\$3,789 million pesos in net investing activities. Net cash used from financing activities was P\$2,832 million pesos for the year ended on December 31, 2022.

IFRS 9; IFRIC 16: Net investment hedge disclosures

Financial instruments to hedge net investments in foreign operations

Effective January 1st, 2020, the Company designated its US\$500 million Senior Notes due 2025 as a hedging instrument for its net investment in Sunrise Spirits Holding, Inc., 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. However, on September 27th, 2021, the Company announced a cash tender offer and a consent solicitation to the holders of outstanding 2025 Senior Notes in circulation. The Company paid a total principal amount of US\$346.6 million (Ps7,202 million) of the 2025 Senior Notes (69.3% of the original issuance of US\$500 million). Therefore, the coverage designated by this bond is US\$153.4 million (Ps3,192 million).

On October 31st, 2021, the Company designated a new hedge in the amount of US\$346.6 million (Ps7,202 million), which is part of the Company's US\$800 million Senior Notes due 2031, as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc.

On August 31st, 2022, the Company designated a new hedge in the amount of US\$150 million (Ps2,999 million), which is part of the Company's US\$800 million Senior Notes due 2031, as a hedging instrument for its net investment in Sunrise Spirits Holdings, Inc.


The total coverage established by the Company is for a total of US\$650 million.

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.T.) on, Friday, February 17th, 2023, to discuss the Company's fourth quarter 2022 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/slideslo?id=623996> or www.becle.com.mx.

Fourth Quarter 2022 Unaudited Financial Results Conference Call and Webcast Details

Date: Friday, February 17th, 2023
Time: 9:00 a.m. Mexico City Time (10:00 a.m. E.T.)
Participants: Juan Domingo Beckmann (CEO)
Fernando Suárez (CFO)

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	USA	+1 718 866 4614
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	France	+33 1758 50 878
	Germany	+49 30 25 555 323

Conference ID: 623996

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

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 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®. Becle'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 Becle'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 Becle 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. Becle 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, 2022			Fourth quarter ended December 31st, 2021		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	713	13,801		13,128		673	5.1
Cost of goods sold	303	5,859	42.5	5,843	44.5	16	0.3
Gross profit	410	7,941	57.5	7,285	55.5	656	9.0
Advertising, marketing and promotion	204	3,946	28.6	3,420	26.1	526	15.4
Distribution	34	657	4.8	668	5.1	(11)	(1.6)
Selling and administrative	59	1,146	8.3	1,119	8.5	27	2.5
Other expenses (income), net	0	9	0.1	(18)	(0.1)	27	NA
Operating income	113	2,183	15.8	2,097	16.0	86	4.1
Financing results	12	230	1.7	(138)	(1.1)	368	NA
Financing results – pro forma (2)	12	230	1.7	54	0.4	176	327.6
Equity method	2	39	0.3	-	-	39	NA
Income before income taxes	99	1,915	13.9	2,235	17.0	(320)	(14.3)
Income taxes	27	518	3.8	659	5.0	(141)	(21.3)
Consolidated net income	72	1,396	10.1	1,576	12.0	(180)	(11.4)
Consolidated net income – pro forma (2)	72	1,396	10.1	1,441	11.0	(45)	(3.1)
Non-controlling interest	0	5	0.0	(3)	0.0	8	NA
Controlling interest	72	1,392	10.1	1,579	12.0	(187)	(11.9)
Depreciation and amortization	16	312	2.3	219	1.7	93	42.3
EBITDA	129	2,495	18.1	2,316	17.6	179	7.7
Earnings per share	0.02	0.39		0.44		(0.05)	(11.4)
Earnings per share – pro forma (2)	0.02	0.39		0.40		(0.01)	(3.1)
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,591			

(1) U.S. dollars translated at 19.36 Mexican pesos solely for the convenience of the reader.

(2) Pro forma excludes an extraordinary gain of P\$192 million pesos in the prior year period, from debt modification under IFRS 9 as a result of our liability management exercise.

Consolidated Income Statements

	Twelve months ended December 31st, 2022			Twelve months ended December 31st, 2021		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	2,362	45,729		39,419		6,310	16.0
Cost of goods sold	1,066	20,642	45.1	18,145	46.0	2,497	13.8
Gross profit	1,296	25,087	54.9	21,274	54.0	3,813	17.9
Advertising, marketing and promotion	525	10,162	22.2	8,689	22.0	1,473	17.0
Distribution	113	2,193	4.8	2,028	5.1	165	8.1
Selling and administrative	200	3,877	8.5	3,491	8.9	386	11.1
Other expenses (income), net	(2)	(34)	(0.1)	(55)	(0.1)	21	(37.2)
Operating income	459	8,890	19.4	7,121	18.1	1,769	24.8
Financing results	32	620	1.4	214	0.5	406	190.1
Equity method	2	39	0.1	-	-	39	NA
Profit before income taxes	425	8,231	18.0	6,908	17.5	1,324	19.2
Income taxes	121	2,350	5.1	1,874	4.8	476	25.4
Consolidated net income	304	5,881	12.9	5,034	12.8	847	16.8
Non-controlling interest	1	25	0.1	14	0.0	11	74.6
Controlling net income	302	5,856	12.8	5,020	12.7	837	16.7
Depreciation and amortization	49	953	2.1	817	2.1	136	16.7
EBITDA	508	9,843	21.5	7,938	20.1	1,905	24.0
Earnings per share	0.08	1.64		1.40		0.24	16.8
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,591			

(1) U.S. dollars translated at 19.36 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Financial Position

(Figures in millions)	December 31 st , 2022		December 31 st , 2021
	(U.S. \$) ⁽¹⁾	(Pesos)	(Pesos)
Assets			
Cash and cash equivalents	233	4,521	12,791
Trade receivables	610	11,812	10,284
Related parties	2	44	14
Recoverable income tax	19	366	0
Other recoverable taxes and other receivables	101	1,951	966
Inventories	943	18,258	12,094
Biological assets	67	1,291	933
Prepayments	64	1,240	1,077
Total current assets	2,039	39,483	38,159
Inventories	312	6,044	6,588
Biological assets	387	7,502	5,867
Investments in associates	30	578	648
Property, plant and equipment	727	14,074	11,855
Intangible assets	974	18,849	20,628
Goodwill	311	6,022	6,992
Right-of-use assets	138	2,678	2,371
Deferred income tax	108	2,086	1,600
Employee benefits	25	477	435
Other assets	4	73	62
Total non-current assets	3,016	58,383	57,046
Total assets	5,055	97,866	95,205
Liabilities			
Senior notes	5	96	102
Trade payables	436	8,443	4,594
Related parties	4	72	71
Lease liabilities	32	623	788
Other accounts payable	324	6,268	6,603
Total current liabilities	801	15,502	12,158
Senior notes	904	17,508	18,495
Lease liabilities	125	2,410	1,840
Environmental reserve	7	142	140
Other liabilities	16	305	693
Deferred income taxes	185	3,576	3,436
Total non-current liabilities	1,237	23,941	24,604
Total liabilities	2,038	39,443	36,762
Stockholders' equity			
Stockholders' equity attributable to controlling interest	3,011	58,306	58,351
Non-controlling interest	6	117	93
Total stockholders' equity	3,017	58,423	58,443
Total liabilities and stockholders' equity	5,055	97,866	95,205

(1) U.S. dollars translated at 19.36 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Cash Flow

(Figures in millions)	Twelve months ended December 31 st , 2022	Twelve months ended December 31 st , 2021
	(U.S. \$) ⁽¹⁾	(Pesos)
Operating activities:		
Income before income taxes	425	8,231
Adjustment from items not implying cash flows		
Depreciation and amortization	49	953
Loss on sale of property, plant and equipment	4	68
Non-cash items	(3)	(54)
Interest income	(7)	(143)
Unrealized foreign exchange profit	(20)	(386)
Interest expense	27	519
Equity method	2	39
Net cost for the period of employee benefits	3	54
Subtotal	479	9,281
(Increase) decrease in:		
Trade receivables	(98)	(1,900)
Related parties	2	30
Other recoverable taxes and other receivables	(46)	(894)
Inventories	(358)	(6,938)
Biological assets	(102)	(1,967)
Prepayments	(12)	(231)
Other assets	34	650
Increase (decrease) in:		
Trade payables	202	3,914
Other accounts payables	(18)	(354)
Employee benefits	(7)	(142)
Income taxes paid or recoverable	(165)	(3,193)
Net cash from operating activities	(90)	(1,744)
Investment Activities:		
Property, plant and equipment	(193)	(3,728)
Intangible assets	(4)	(86)
Investment in associates	(6)	(118)
Interest income	7	143
Sale of property, plant and equipment	-	-
Net cash flows used in investment activities	(196)	(3,789)
Financing activities:		
Dividends paid	(78)	(1,510)
Principal lease payment	(35)	(686)
Bank loan facility	-	-
Bank loan paid	-	-
Senior Note issued	-	-
Interest paid	(33)	(636)
Net cash flows used in financing activities	(146)	(2,832)
Net increase (decrease) of cash and cash equivalents	(432)	(8,365)
Cash and cash equivalents at beginning of year:		
At beginning of the period	661	12,791
Cash proceeds from acquisition	1	25
Effects of exchange rate changes on cash and cash equivalents	4	70
Cash and cash equivalents at end of period	233	4,521
		12,791

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