

# Investor Presentation

Becle, S.A.B de C.V.  
March 2022





# Beck's: A Leading Global Spirits Company and Undisputed Leader in Tequila Worldwide



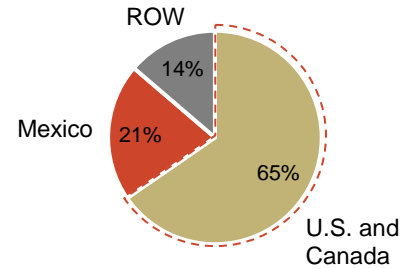
## Beck's Today

- **Undisputed leader in tequila globally**, ~29% market share<sup>(1)</sup>
- **#3 in high growth Irish Whiskey category** <sup>(1)</sup> with Bushmills, Sexton and Proper No. Twelve
- **2021 revenues grew 12.5% while peers** <sup>(2)</sup> increased 8.2%
- Comprehensive portfolio of **over 30 brands** distributed in more than 85 countries
- **Strong geographic diversification** with significant exposure to the U.S. and Canada, the world's largest spirits market <sup>(3)</sup>
- **Conservative leverage profile**, remaining one of the strongest among peers

## Diversified Product Portfolio with Over 30 Brands

### Exposure to the Right Geographies...

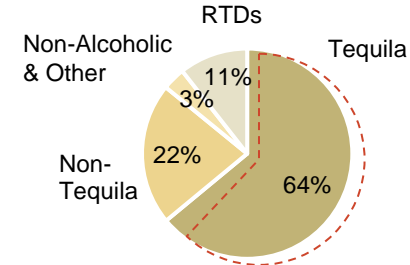
Net Sales Value Breakdown in 2021



U.S. and Canada  
Largest Spirits Market <sup>(3)</sup>

### ... With the Right High-Growth Categories

Net Sales Value Breakdown in 2021



Tequila  
Fastest Growing Spirits Category in the US <sup>(4)</sup> and the Second in the World



## 2021 Key Figures

**25.5MM**

of 9 Liter Cases Sold

**1,915 MM**

Net Sales (US\$) <sup>(5)</sup>

**386 MM**

EBITDA (US\$) <sup>(5)</sup>

**2.3x**

Total Debt / EBITDA

**0.7x**

Net Debt / EBITDA

**9.0 Bn**

Market Cap <sup>(6)</sup> (US\$) <sup>(5)</sup>

**Public Company**

### Notes:

1. Based on 2020 IWSR Drinks Analysis total volume
2. Simple average of annual revenues growth of Constellation Brands, Diageo, Brown Forman, Heineken and Pernod Ricard

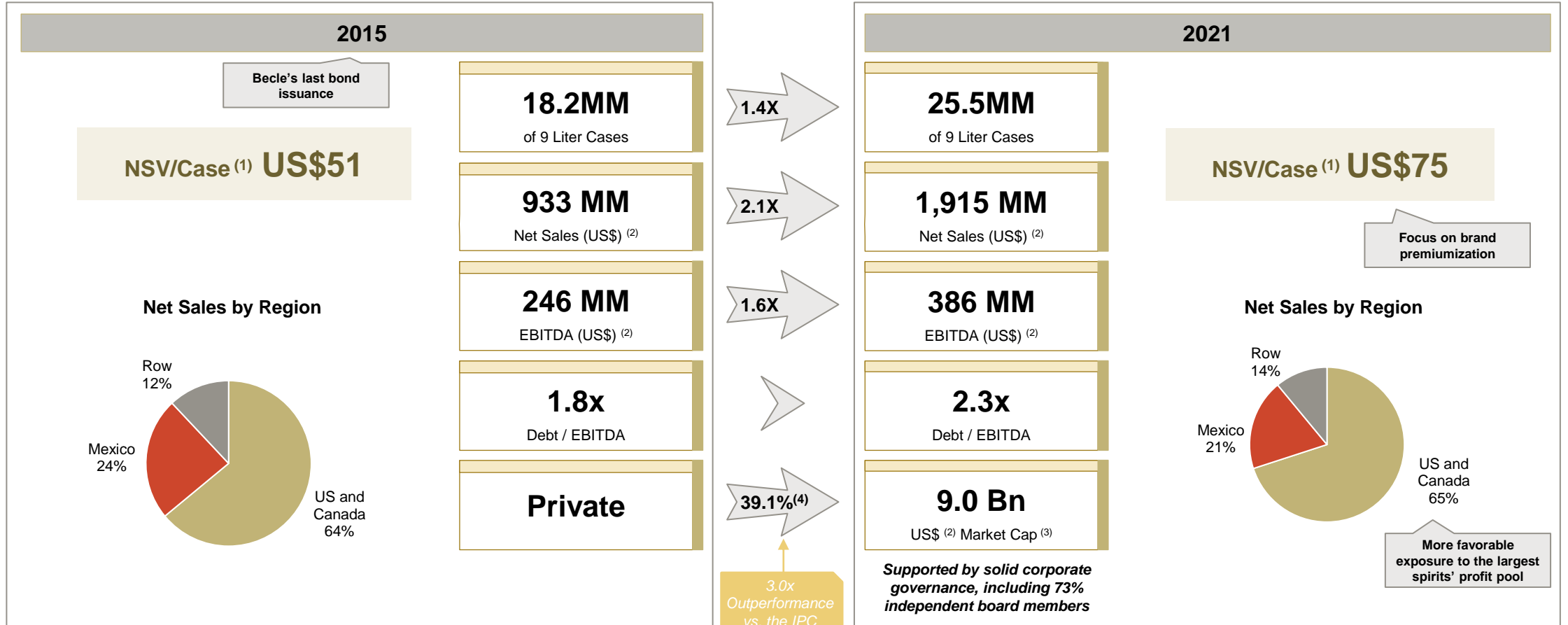
3. Excluding China, according to IWSR Drinks Analysis
4. Excluding categories with less than 30 MM cases sold in 2020 globally and less than 20 MM in the U.S.

5. FX: Ps\$ 20.5835 = US\$

6. Mkt. Cap. as of December 31, 2021.



# Becle's Outstanding Performance Makes it Today a Stronger Credit than in 2015



**Notes:**

- 1. Net sales / 9 Liter Cases
- 2. FX: Ps\$ 20.58 = US\$

- 3. As of December 31, 2021
- 4. Performance since IPO (February 9, 2017)



1

**Undisputed Global Leader in Tequila and #3 in Irish Whiskey**

2

**Dominant Position in the Hottest Spirits Category...**

3

**...And a Privileged Competitive Position...**

4

**...In High-Growth Spirits Categories Through an Extensive Product Portfolio with Focus on Premiumization**

5

**Proven Agility and Innovation Driving a Resilient Business Model with High Cash Generation Capacity**

6

**Best-in-Class Capital Structure & Prudent Financial Policy Whilst Delivering Consistent Growth**

7

**Renowned Family Heritage and Strong Corporate Governance Supported by a Talented Management Team**

8

**Strong Social and Sustainability Driven Culture**

9

**Full Year 2022 Guidance**



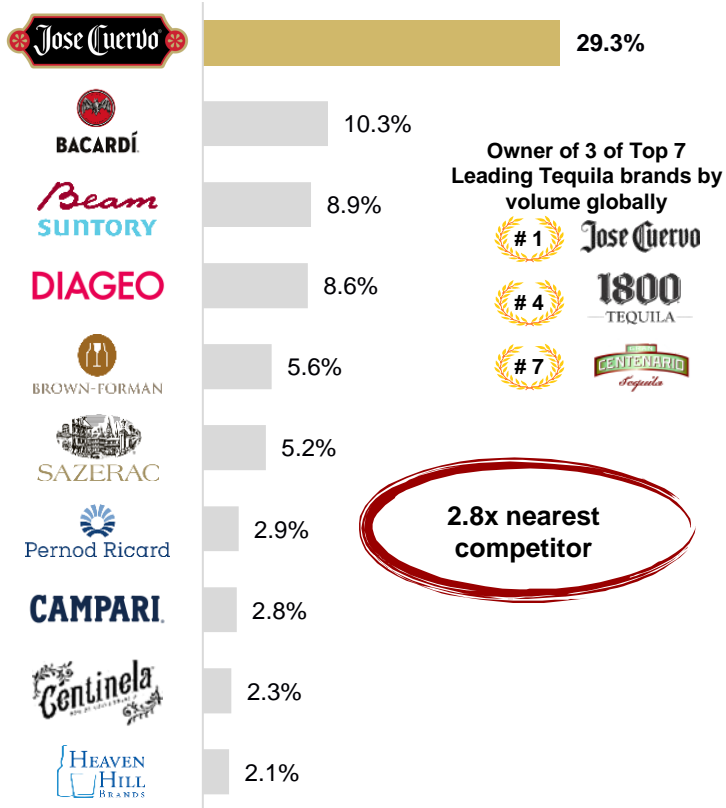


# 1 Undisputed Global Leader in Tequila and #3 in Irish Whiskey



## Global Leader in Tequila...

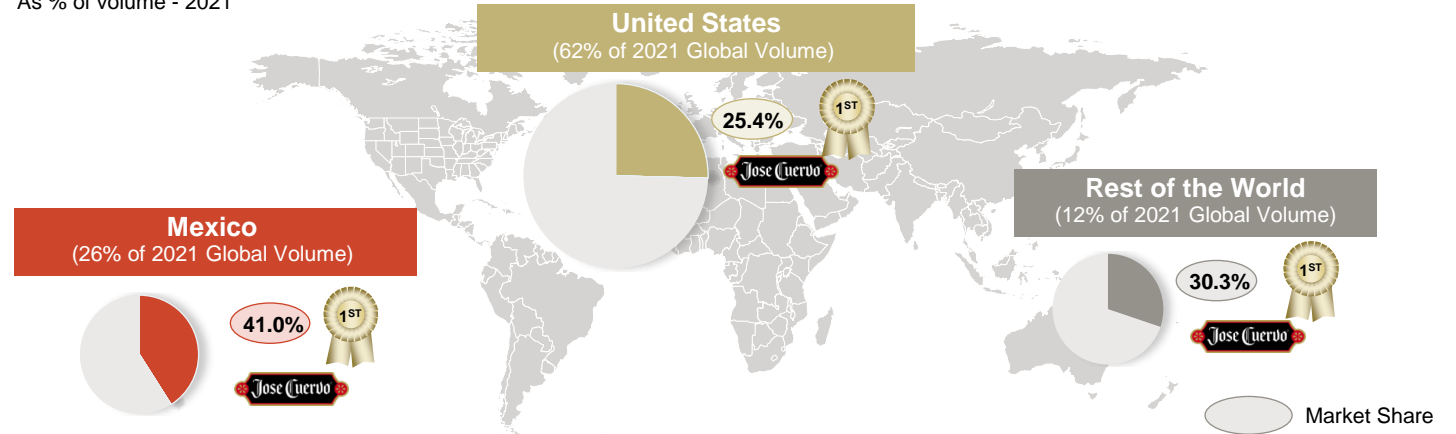
As of 2020 Volume – Total Market Size 35.5MM 9L Cases



Source: IWSR Drinks Analysis 2020

## ... In Every Region

As % of volume - 2021



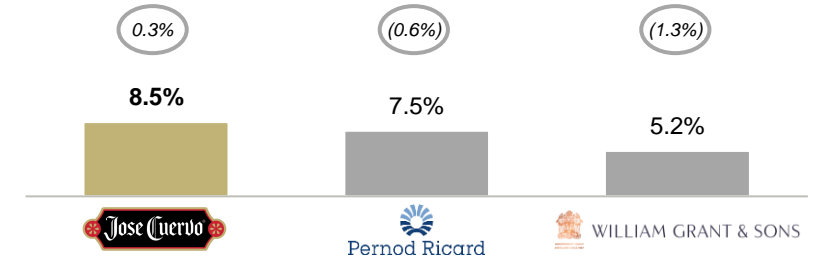
## #3 Player in Irish Whiskey

1,040K Irish Whiskey 9L cases sold in 2020



Source: IWSR Drinks Analysis 2020

9L Cases Volume CAGR 2015 – 2020





2

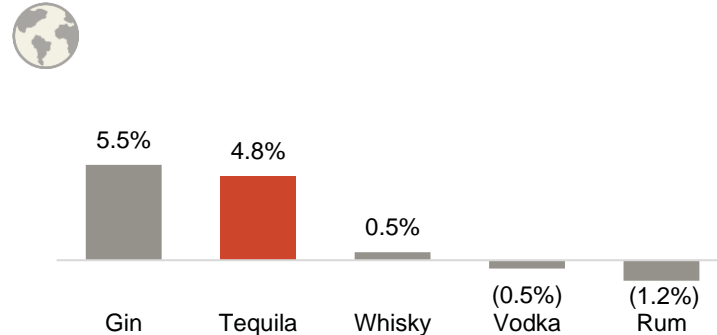
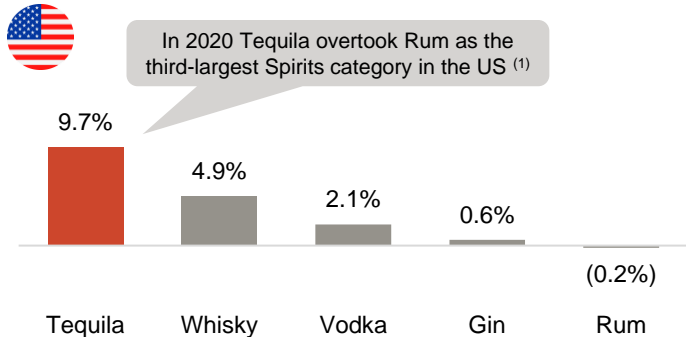
# Dominant Position in the Hottest Spirits Category...



## Since Last Issuance, Tequila has...

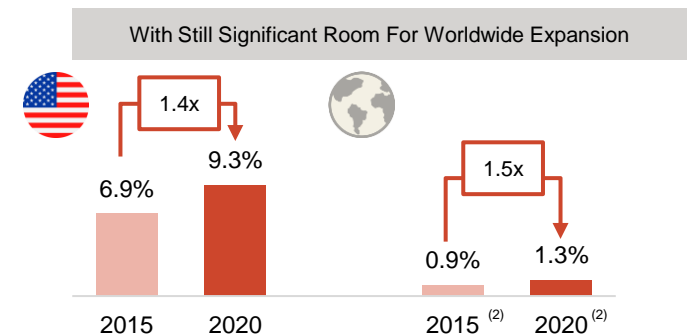
### A ...Been the Fastest Growing Major Spirits Category in the US and Second Fastest in the World

(2015 - 2020 9L cases volume CAGR)



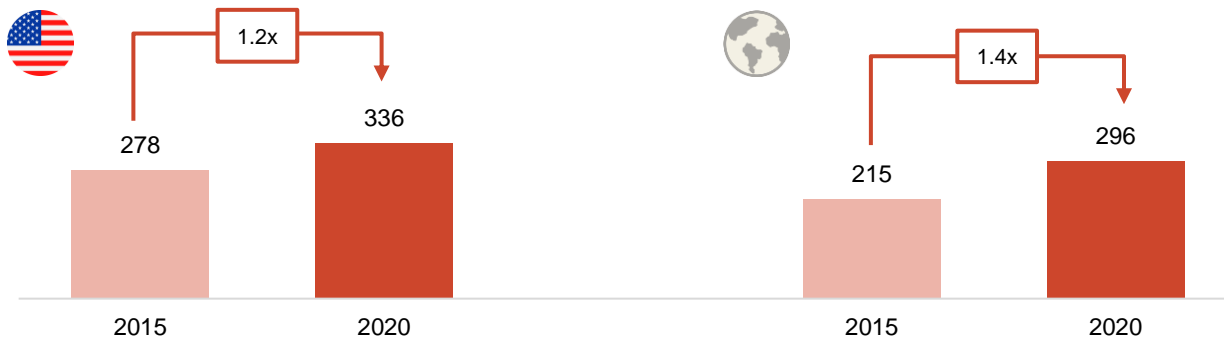
### B ...Significantly Increased its Market Share

(In terms of 9L cases volume)



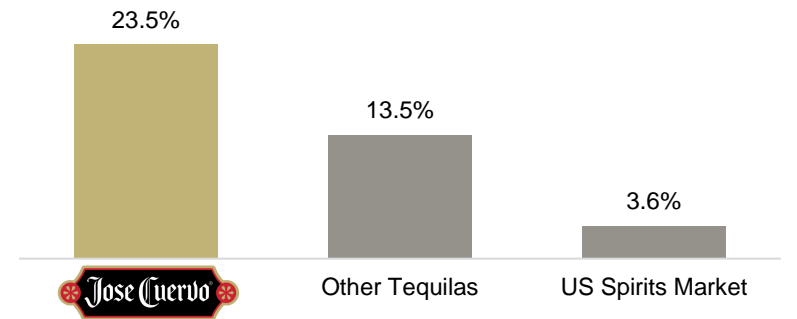
### C ...Benefitted from a Clear Premiumization Trend

Avg. price in US\$ per 9L case of Tequila



### D Becle Soared Driven by Proximo's Strong Execution

(2020 Tequila 9L cases volume growth in the U.S. vs. 2019)



Source: IWSR Drinks Analysis

Notes:

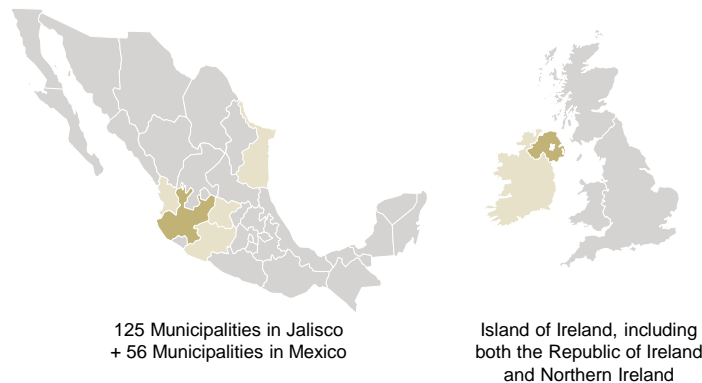
1. By volume of 9L cases sold
2. Includes local spirits



## High Barriers of Entry Provided by Bece's Vertical Integration and Own Distribution



**Competitive Advantage Resulting from Appellation of Origin for Tequila and Irish Whiskey**



- Tequila **can only be produced from Agave Azul** (*Tequilana Weber*)
- Bece is **the largest Agave Azul producer**<sup>(1)</sup>
- Bece is **involved in full Agave cycle** (plant, growth, harvest and freight)
- Irish whiskey can **only be made throughout the island of Ireland**

**Flagship Distilleries and Bottling Facilities Support Route-to-Market Strategy**



**Own Distribution Platform to Control Route-to Market and Brand Building Strategy**

- ✓ 94% of volume through own network
- ✓ Proximo's route-to-market control instrumental to U.S. success
- ✓ Vertical integration of profits
- ✓ Control and focus of own brands
- ✓ Enhancing presence in new geographies with in-market companies (IMC's)



Source: Company Information  
Notes:  
1. According to CRT's plantation registry



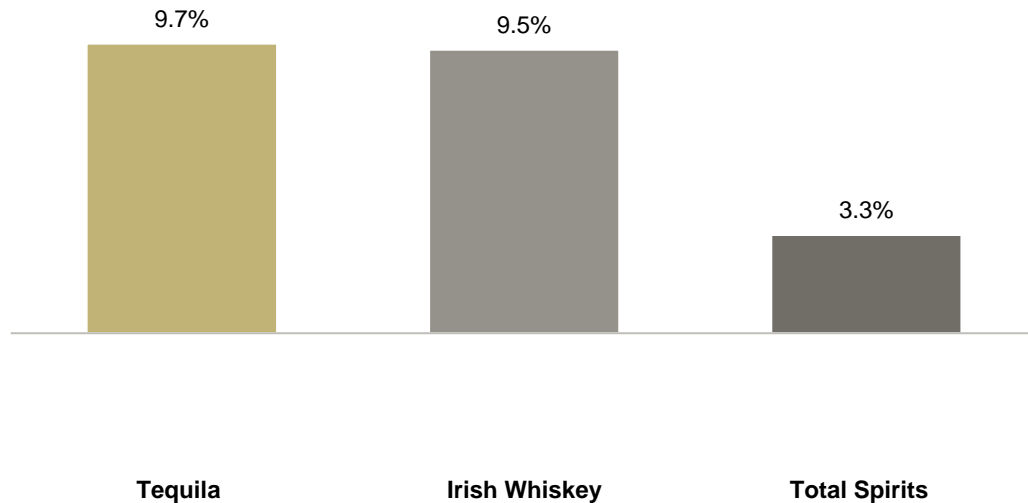
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# ... In the Right Categories & Markets...



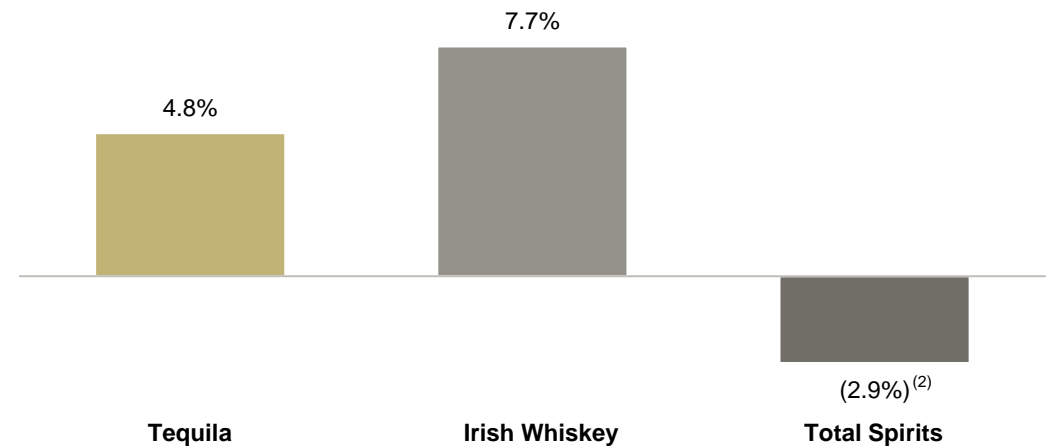
## Exposure to Dynamic Regions and Categories

Spirits Growth | 2015-2020 9L cases Volume CAGR



**67%**<sup>(1)</sup> of Beclé's Sales in Tequila & Irish Whiskey

**70%** of Beclé's Sales in the U.S. & Canada



Source: Company Information, IWSR Drinks Analysis

Notes:

- 1. Includes all tequila brands + Bushmills
- 2. Includes local spirits





4

# ... Through an Extensive Product Portfolio with Focus on Premiumization



## Diversified Brand Portfolio

## Net Sales by Category

By value as of 2021

Tequila

### Jose Cuervo Family



Prestige

Super Premium

Premium

### 1800



Super Premium/  
Ultra Premium

### Other



Super Premium

Ultra Premium

Whiskey

### Irish Whiskey



Premium/  
Ultra  
Premium

Premium

Super  
Premium

### U.S. Whiskey



Ultra  
Premium

Premium

Premium/  
Ultra  
Premium

Others

### Rum



Premium

### Vodka



Ultra  
Premium

Premium

### Gin



Premium

### Mezcal



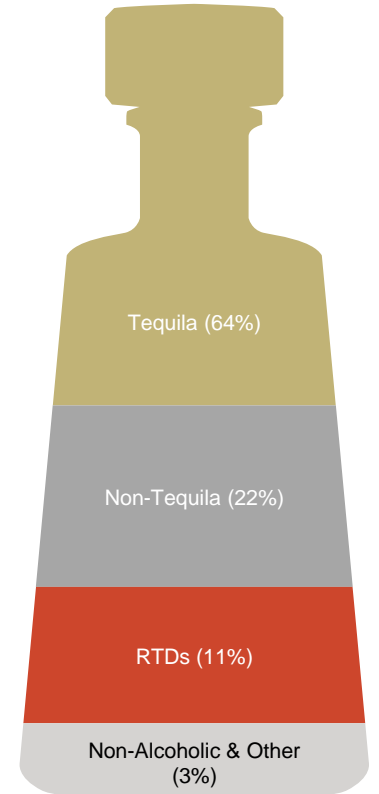
Premium

Ultra  
Premium

### RTD



### Non-Alcoholic





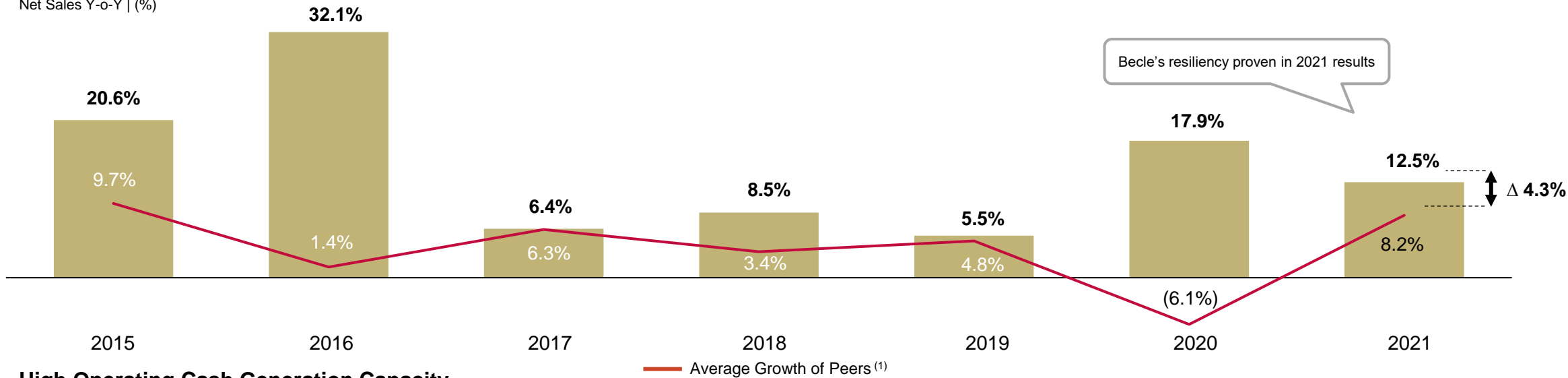
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# Proven Agility and Innovation Driving a Resilient Business Model with High Operating Cash Generation Capacity



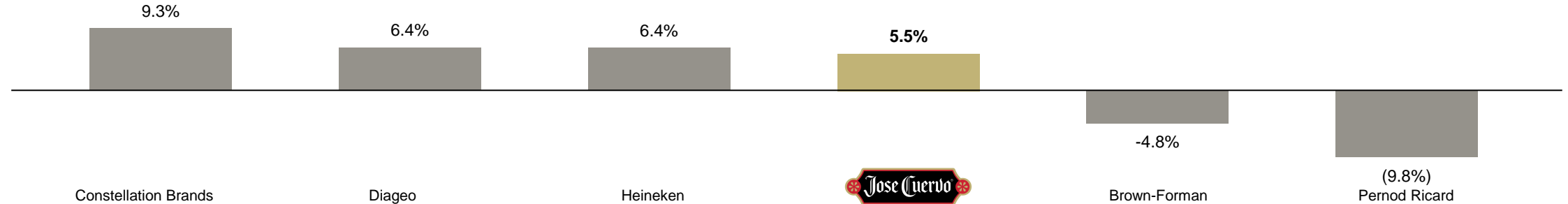
## Becle's Agile & Innovative Business Model is a Key Driver of its Outperformance

Net Sales Y-o-Y | (%)



## High Operating Cash Generation Capacity

Operating Cash Flow Growth CAGR 2016 – 2021 | (%)



Source: Company filings, Capital IQ. Company Audited Financial Statements and most recent publicly available annual financial statements for our peers. We have included the information presented in this chart for illustrative purposes only and we cannot assure you of the accuracy or comparability of our peers' financial statements. Operating profit may be measured differently by our peers for many reasons, including the fact that entities may differ in their application of accounting principles

Notes:

1. Simple average of annual revenues growth of Constellation Brands, Diageo, Brown Forman, Heineken and Pernod Ricard



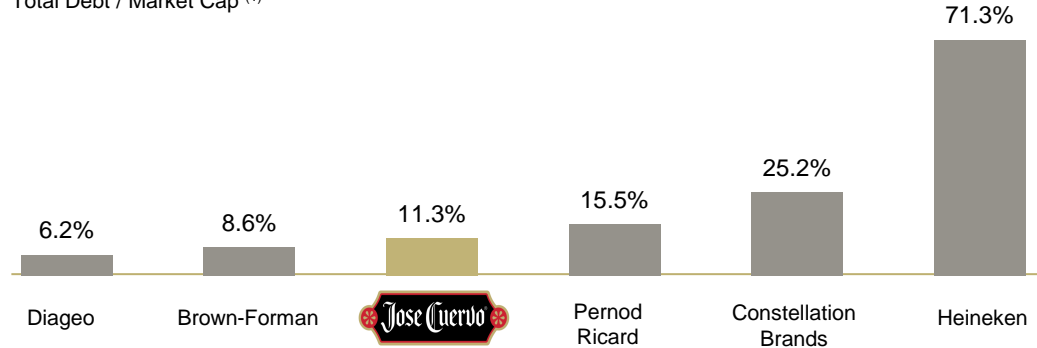
6

# Best-in-Class Capital Structure & Prudent Financial Policy Whilst Delivering Consistent Growth

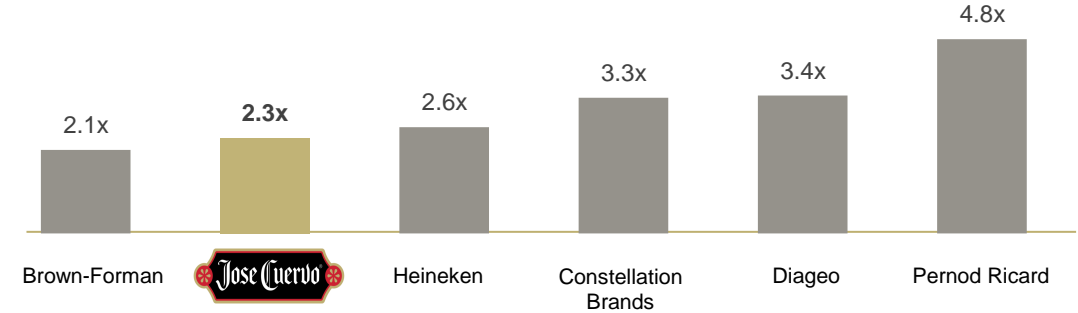


## Best-In-Class Credit Metrics

Total Debt / Market Cap <sup>(1)</sup>



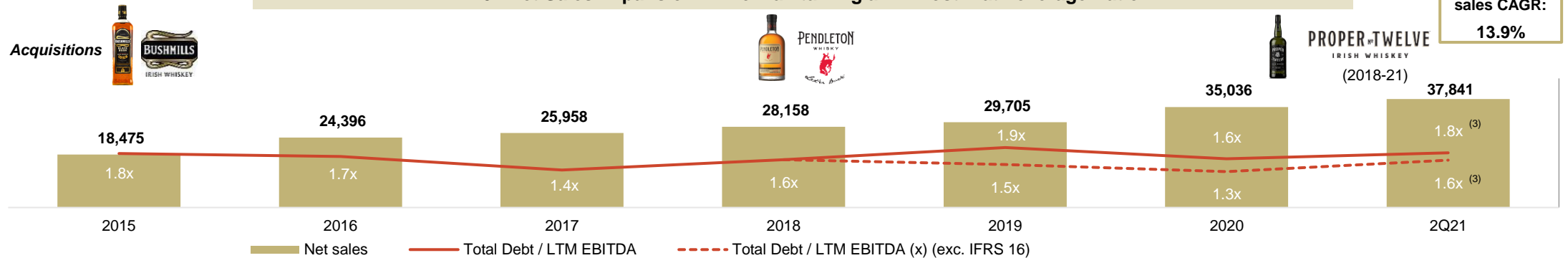
Total Debt / 2021 EBITDA



## Proven Financial Discipline While Executing on a Successful Growth Strategy

Ps\$ MM

2.0x Net Sales Expansion While Maintaining an Almost Flat Leverage Ratio



Source: Capital IQ, Company Filings, Company Audited Financial Statements and most recent publicly available annual financial statements for our peers. We have included the information presented in this chart for illustrative purposes only and we cannot assure you of the accuracy or comparability of our peers' financial statements. Operating profit may be measured differently by our peers for many reasons, including the fact that entities may differ in their application of accounting principles

Notes:

1. As of March 9, 2022



# 7 Renowned Family Heritage and Strong Corporate Governance



## Becle is a Global Spirits Company with a Profound Family Heritage

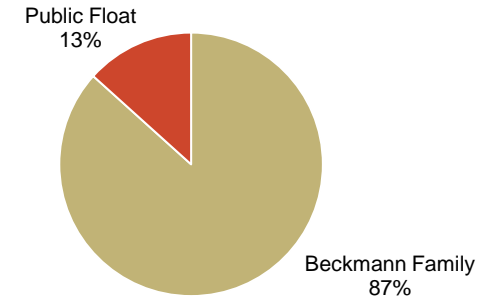
- Founded in 1758, **Becle is today an 11<sup>th</sup> generation managed spirits company**
- **Public company since 2017** and part of the **S&P/BMV IPC** and **MSCI indexes**
  - Market Cap of US\$9.0 <sup>(1)</sup> Bn
- Talented management team supported by a **highly experienced and independent board of directors**
- **At the fore front of sustainability practices** throughout the Tequila production cycle & other spirits bottling facilities

## Becle's Key Milestones Shaped the Tequila Industry

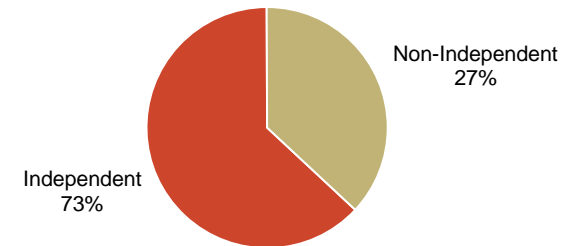


Notes:  
1. As of December 31, 2021. FX: Ps\$ 20.58 = US\$

## Ownership



## Highly Experienced and Independent Board of Directors





## We Care About our People, our Customers & the Environment

### Responsible Consumption

We promote responsible and moderate consumption of spirits aiming to safeguard our customers' health

### Community Engagement

We work closely with the communities where we operate to create positive social change

### Corporate Ethics

- Internal ethics committee
- Supplier code of ethics
- Annual employee certification
- Line to report any deviations from our Code of Conduct

### Environmental Protection

We seek to improve the value chain in our operations through efficiency in the use of resources (water, energy, emissions and waste)



## Awards & Recognitions



**Our Commitment has Granted us Recognition and Certifications Among Several Institutions**



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# Beckle's Environmental Initiatives are Fully Aligned to the UN Sustainable Development Targets



## US\$60+ MM Invested Since 2010 in Sustainable Projects

# Number of Projects



### SDG Alignment



### Initiatives

- New factories with Energy efficient design to reduce consumption
- Produce Biogas from vinasse treatment to replace fossil fuels
- We run our own CO2 conversion factory through our large Agave plantation footprint

- Wastewater is 100% treated in Mexican facilities
- New plants design with upgraded water reusing features

- Agave bagasse is used as plantation fertilizer and later to power steam boilers
- Agave fibers converted into bio-based products



Know More







# New Issue Concurrent with Liability Management Exercise to Increase Debt Maturity Profile and Maintain Strong Liquidity

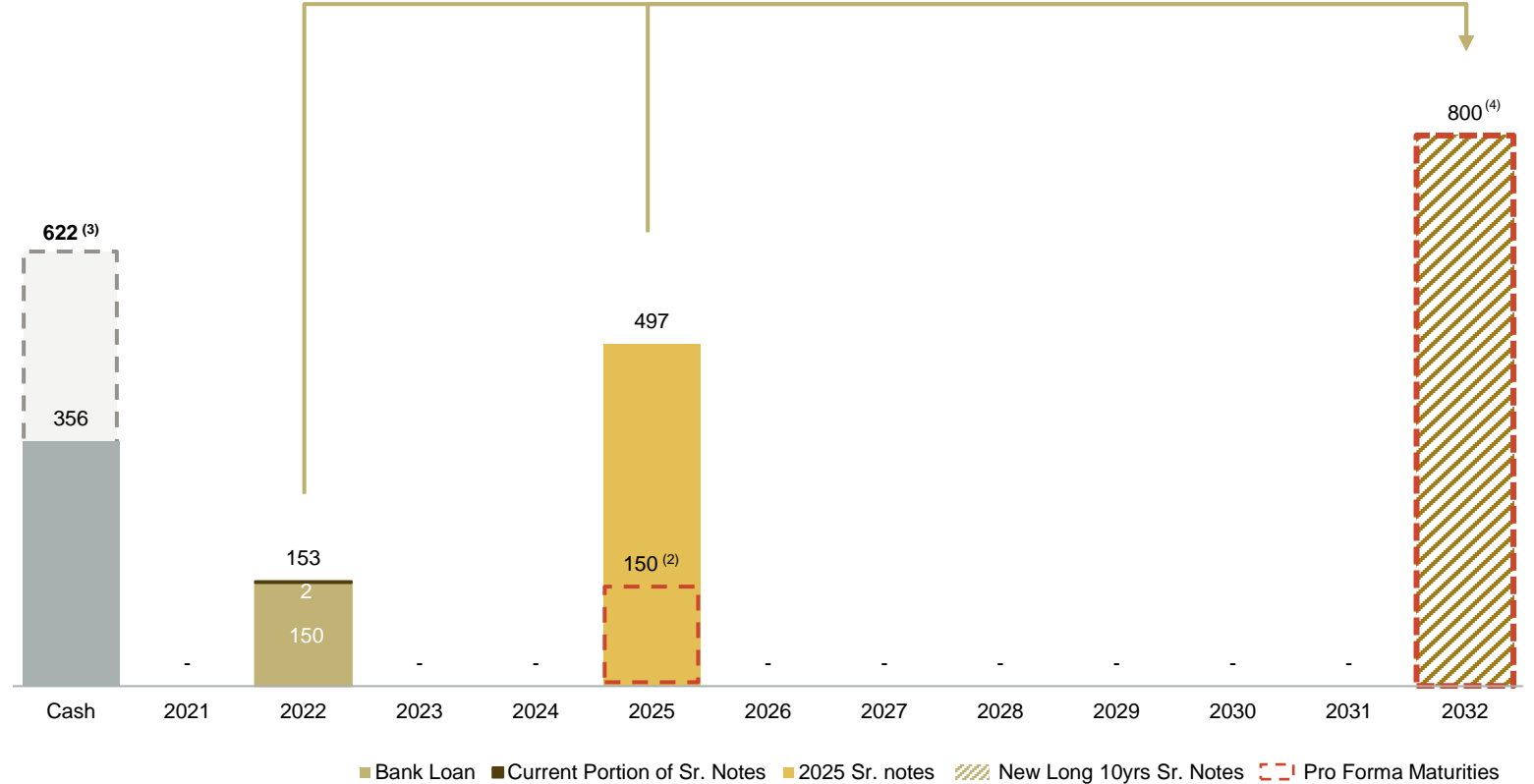


## Transaction Rationale

- Refinance upcoming maturities and extend debt maturity profile
  - Weighted average life from **3.1yrs to 9.5yrs** <sup>(2)</sup>
- Decrease next 5yr maturities by ~US\$500 MM <sup>(2)</sup>
- Maintain large portion of Debt in USD
- Maintain a strong cash position with over US\$622 MM <sup>(3)</sup> in balance sheet
- Take advantage of low interest rates
- Re-position its remarkable credit story to investors

## Debt Maturity Profile

As of 2Q21 | US\$ MM <sup>(1)</sup>



### Notes:

1. Converted at an FX of Ps\$ 19.8027
2. Assuming 70% participation in the 2025 notes tender offer

3. Assumes payment of tender premium at MW of 109.867% as of September 24, 2021
4. For illustrative purposes



# From a Net Debt Perspective, Contemplated Transaction is Essentially Leverage Neutral



## Sources and Uses

As of 2Q21 | US\$ MM <sup>(1)</sup>

Sources		Uses	
New Sr. Notes	800 <sup>(2)</sup>	Bank Loan Repayment	150
		Repurchase of 2025 Sr. Notes <sup>(3)</sup>	350
		Tender Premium Paid on 2025 Sr. Notes <sup>(4)</sup>	34
		General Corporate Purposes	266
<b>Total Sources</b>	<b>800</b>	<b>Total Uses</b>	<b>800</b>

## Capitalization

Financial Debt Profile	2Q21	Adjustment	2Q21 Pro Forma
2025 Sr. Notes	499 <sup>(5)</sup>	(350)	150 <sup>(3)</sup>
New Sr. Notes	-	800	800
Bank Loan	150	(150)	-
<b>Total Financial Debt</b>	<b>650</b>	<b>300</b>	<b>950</b>
<i>Weighted Average Life <sup>(3)</sup> (Years)</i>	3.1	-	9.5
Lease Liabilities	107	-	107
<b>Total Debt / LTM PF EBITDA <sup>(6)</sup></b>	<b>1.8x</b>	-	<b>2.5x</b>
Cash	356	266 <sup>(4)</sup>	622 <sup>(4)</sup>
<b>Net Debt / LTM PF EBITDA <sup>(6)</sup></b>	<b>0.9x</b>	-	<b>1.0x</b>

**Conservative leverage profile,  
remaining the strongest among peers**

### Notes:

1. Converted at an FX of Ps\$ 19.8027
2. For illustrative purposes
3. Assuming 70% participation in the 2025 notes tender offer

4. Assumes payment of tender premium at MW of 109.867% as of September 24, 2021

5. Includes current portion of Sr. Notes

6. Pro forma EBITDA to exclude a non-recurring AMP accrual related to continuing promotional activities for acquired intellectual property as part of the Eire Born Spirits ("EBS") transaction closing in April 2021



## Financial Statements

# Income Statement



(Ps&MM)	Twelve months ended December 31 <sup>st</sup> (1)					Fourth quarter ended December 31 <sup>st</sup>				
	2020	% of net sales	2021	% of net sales	2021 (USD) <sup>(2)</sup>	2020	% of net sales	2021	% of net sales	2021 (USD) <sup>(2)</sup>
<b>Net Sales</b>	<b>35,036</b>		<b>39,419</b>		<b>1,915</b>	<b>10,729</b>		<b>13,128</b>		<b>638</b>
Cost of goods sold	16,790	47.9	18,145	46.0	882	5,545	51.7	5,843	44.5	284
<b>Gross Profit</b>	<b>18,246</b>	<b>52.1</b>	<b>21,274</b>	<b>54.0</b>	<b>1,034</b>	<b>5,184</b>	<b>48.3</b>	<b>7,285</b>	<b>55.5</b>	<b>354</b>
Advertising, marketing and promotion	6,688	19.1	8,689	22.0	422	2,537	23.6	3,420	26.0	166
Distribution	1,380	3.9	2,028	5.1	99	526	4.9	668	5.1	32
Selling and administrative	3,377	9.6	3,491	8.9	170	1,006	9.4	1,119	8.5	54
Other (income) - net	(92)	(0.3)	(55)	(0.1)	(3)	(25)	(0.2)	(18)	(0.1)	(1)
<b>Operating Income</b>	<b>6,893</b>	<b>19.7</b>	<b>7,121</b>	<b>18.1</b>	<b>346</b>	<b>1,141</b>	<b>10.6</b>	<b>2,097</b>	<b>16.0</b>	<b>102</b>
Financing results	38	0.1	214	0.5	10	7	0.1	(138)	(1.1)	(7)
<b>Income before income taxes</b>	<b>6,854</b>	<b>19.6</b>	<b>6,907</b>	<b>17.5</b>	<b>336</b>	<b>1,134</b>	<b>10.6</b>	<b>2,235</b>	<b>17.0</b>	<b>109</b>
Income taxes	1,702	4.9	1,874	4.8	91	215	2.0	659	5.0	32
<b>Consolidated net income</b>	<b>5,152</b>	<b>14.7</b>	<b>5,034</b>	<b>12.8</b>	<b>245</b>	<b>919</b>	<b>8.6</b>	<b>1,576</b>	<b>12.0</b>	<b>77</b>
<b>EBITDA</b>	<b>7,607</b>	<b>21.7</b>	<b>7,938</b>	<b>20.1</b>	<b>386</b>	<b>1,315</b>	<b>12.3</b>	<b>2,316</b>	<b>17.6</b>	<b>113</b>

## Notes:

1. Audited financial results

2. U.S. dollars translated at 20.58 Mexican pesos solely for convenience of the reader

# Balance Sheet



(Ps\$ MM)	As of December 31 <sup>st (1)</sup>		
	2020	2021	2021 (USD) <sup>(8)</sup>
Cash and cash equivalents	7,646	12,791	621
Trade receivables	9,214	10,284	500
Inventories <sup>(2)</sup>	11,486	13,027	633
Other assets <sup>(3)</sup>	3,281	2,057	100
<b>Total current assets</b>	<b>31,627</b>	<b>38,159</b>	<b>1,854</b>
Inventories <sup>(2)</sup>	10,855	12,455	605
Property, plant and equipment	10,169	11,855	576
Intangible assets	15,447	20,628	1,002
Goodwill	6,891	6,992	340
Right-of-use assets	2,352	2,371	115
Other assets <sup>(4)</sup>	4,240	3,378	163
<b>Total assets</b>	<b>81,582</b>	<b>95,838</b>	<b>4,656</b>
Senior Notes	49	102	5
Trade payables	3,062	4,594	223
Other accounts payable <sup>(5)</sup>	5,596	7,462	362
<b>Total current liabilities</b>	<b>8,708</b>	<b>12,158</b>	<b>591</b>
Senior Notes	9,907	18,495	899
Lease liabilities	1,844	1,840	89
Other long-term liabilities <sup>(6)</sup>	6,378	4,901	239
<b>Total liabilities</b>	<b>26,837</b>	<b>37,394</b>	<b>1,817</b>
Controlling interest <sup>(7)</sup>	54,666	58,351	2,835
Non-controlling interest	79	93	5
<b>Total stockholders' equity</b>	<b>54,745</b>	<b>58,444</b>	<b>2,839</b>
<b>Total liabilities and stockholders' equity</b>	<b>81,582</b>	<b>95,838</b>	<b>4,656</b>

## Notes:

1. Audited financial results

2. Includes Biological assets

3. Includes related parties, recoverable income tax, other recoverable taxes and receivables, financial instruments at fair value through profit and loss and prepayments

4. Includes Investments in associates, Equity investments at fair value, Deferred income taxes, Employee benefits - Net and Other assets

5. Includes Lease liabilities and Related parties

6. Includes Environmental reserve and Deferred income taxes

7. Includes Capital stock, Share premium, Capital reserves, Retained earnings and Other comprehensive income

8. U.S. dollars translated at 20.58 Mexican pesos solely for convenience of the reader

# Cash Flow Statement



(Ps\$ MM)	As of December 31 <sup>st</sup> (1)		
	2020	2021	2021 (USD) (2)
<b>Operating activities:</b>			
Income before income taxes	6,854	6,908	336
Adjustment from items not implying cash flows:			
Depreciation and amortization	714	817	40
Loss on sale of property, plant and equipment	55	8	-
Non-cash items	243	(76)	(3)
Interest income	(144)	(247)	(12)
Unrealized foreign exchange	(233)	(586)	(28)
Interest expense	419	500	24
Equity method	(78)	(25)	(1)
Net cost for the period of employee benefits	70	20	1
Subtotal	7,900	7,319	356
Changes in working capital	(4,155)	(3,040)	(148)
<b>Net cash from operating activities</b>	<b>3,746</b>	<b>4,279</b>	<b>208</b>
<b>Investment Activities:</b>			
Property, plant and equipment	(3,544)	(2,197)	(107)
Intangible assets	(92)	(3,053)	(148)
Investment in associates	(1,593)	(464)	(23)
Interest income	144	59	3
Sale of property, plant and equipment	16	10	1
<b>Net cash flows used in investment activities</b>	<b>(5,070)</b>	<b>(5,645)</b>	<b>(274)</b>
<b>Financing activities</b>			
Dividends paid	(544)	(1,546)	(75)
Proceeds from loans and repurchase of shares - Net	115	-	-
Principal and interest lease payment	(393)	(506)	(25)
Bank loan facility	-	3,107	151
Bank loan paid	-	(3,091)	(150)
Senior Note issued	-	8,529	414
Interest paid	(497)	(460)	(22)
<b>Net cash flows used in financing activities</b>	<b>(1,318)</b>	<b>6,033</b>	<b>293</b>
Net increase (decrease) of cash and cash equivalents	(2,642)	4,668	227
Cash and cash equivalents at beginning of year:			
At beginning of the period	9,628	7,646	371
Cash proceeds from acquisition	13	-	-
Effects of exchange rate changes on cash and cash equivalents	647	477	23
<b>Cash and cash equivalents at end of year</b>	<b>7,646</b>	<b>12,791</b>	<b>621</b>

## Notes:

1. Audited financial results

2. U.S. dollars translated at 20.58 Mexican pesos solely for convenience of the reader





## As of February 18<sup>th</sup>, 2022

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- Items provided below are based on the Company's current estimates and are not a guarantee of future performance.
- There could be significant risks and uncertainties that could cause actual results to differ materially, including the risk factors discussed in the Company's reports on file with the Comisión Nacional Bancaria y de Valores (Mexican National Banking and Securities Commission).
- Becele undertakes no duty to update any forward-looking statements or estimates.

## Full Year 2022

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**Consolidated Volume**

Mid-single digit growth "area"

**Consolidated Capital Expenditures <sup>(1)</sup>**

US\$250 million "area"

**Notes:**

(1) Consolidated Capital Expenditures are comprised of distillery expansion capabilities (Tequila and other spirits), aging and warehousing, in order to support our long-term growth plan, and other normal and customary capital expenditures.