

Tear Sheet:

Becle S.A.B. de C.V.**November 18, 2025**

This report does not constitute a rating action.

S&P Global Ratings has slightly raised its 2025 revenue growth outlook for Becle to 1%, versus flat expectations earlier. This reflects better-than-expected performance in Mexico and other countries outside North America. However, we expect consumption trends to remain weak in North America, where volumes are still down, and competition remains fierce.

For 2026, we still expect difficult consumption conditions in the North American spirits market, including weak consumer spending and limited pricing capabilities, and lingering sluggish macroeconomic conditions in Mexico and other strategic regions. However, Becle has recently gained market shares and reported strong volume growth outside the U.S. and Canada.

We also raised the company's 2025 year-end adjusted EBITDA margin expectation to about 23.5% (excluding one-off other income) from 21.3%. Lower than-expected agave-related input costs; ongoing operating cost efficiencies (from strategic sourcing and manufacturing); and lower advertising, marketing, and promotions expenses were the key drivers. However, we think the company's adjusted EBITDA margin could revert to near 22.5% in 2026 and beyond, subject to volatility in agave prices; foreign exchange rates fluctuations; and potential increases in selling, general, and administrative expenses since the company aims to increase its global presence.

Despite our expectation of better operating and financial results for Belce, which will likely translate into S&P Global Ratings-adjusted net debt to EBITDA near 1x this year and in the short term, we believe the company still has room to optimize its capital structure. It could do so by increasing its capital expenditure plan or undertaking mergers and acquisitions to expand its global presence. As a result, while we expect continuity in Becle's prudent financial policy and a solid cash balance to buffer against tough conditions, we think the company's S&P Global Ratings-adjusted net debt to EBITDA could increase to 1.5x-2x in the medium to long term.

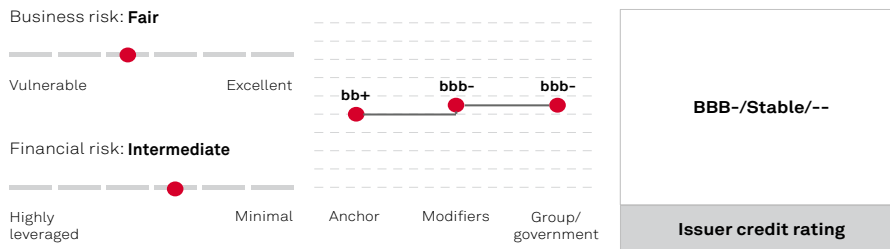
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Ratings Score Snapshot



Recent Research

- [Research Update: Becle S.A.B. de C.V. Outlook Revised To Stable From Negative On Improved Credit Metrics: 'BBB-' Ratings Affirmed](#), Nov. 13, 2024

Company Description

Founded in 1758 and headquartered in Mexico City, Becle has been led by 11 generations of the Beckmann family. Becle is the world's largest producer of tequila, with well-known brands such as Jose Cuervo, 1800, Centenario, and Maestro Dobel. It's also the largest and second-largest distributor of premium spirits and liquors in Mexico in terms of volumes and value, respectively.

The company has more than 30 brands, and it produces, bottles, and sells spirits worldwide, with a presence in more than 85 countries. In the past few years, the company has been mainly growing through brand acquisitions, such as those of Three Olives, Hangar 1, Stranahan's, Bushmills, Proper No. Twelve, Boodles, and Pendleton.

For the 12 months ended March 31, 2025, Becle reported revenue of MXN44.6 billion and an EBITDA margin of 20.3%.

Outlook

The stable outlook reflects our view that Becle's operating performance will continue to improve gradually, despite volume pressures in North America, maintaining relatively stable leverage and adequate liquidity. We estimate the company's S&P Global Ratings-adjusted net debt to EBITDA will be near 1.5x-2.0x in the next 12-24 months, with liquidity cushion of above 20% of liquidity sources over uses.

Downside scenario

We could lower our ratings on Becle if its S&P Global Ratings-adjusted net debt to EBITDA rises above 3x over the next 12-24 months. This could occur if one or more of the following occurs:

- Becle's operating performance weakens due to tougher global economic conditions, if tariffs on its exports to the U.S. further squeeze consumption of its key products and across its

geographic markets, if we see a significant appreciation of the peso, and/or due to an unexpected rise in input costs (particularly agave prices);

- Becle implements an aggressive financial policy to fund unexpected working capital needs, capex, mergers and acquisitions, dividend payments, or share repurchases; and/or
- Its liquidity position is eroded by lower cash reserves or greater use of short-term debt.

In addition, although unlikely in the next 24 months, structural changes in the tequila industry--stemming from long-term contraction in demand or if competition significantly intensifies, causing a consistent decline in Becle's volume and profitability, and volatility in cash flow--could prompt us to lower our ratings.

Upside scenario

We could upgrade the company if it changes its financial policy by lowering the use of leverage and records stronger operating and financial performance on sustained basis. We could raise the ratings if:

- Becle's S&P Global Ratings-adjusted net debt to EBITDA remains consistently below 2x; and
- Its discretionary cash flow to debt stays consistently above 15%.

Key Metrics

Becle, S. A. B. de C. V.--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026
(Mil. MXN)	2021a	2022a	2023a	2024a	2025e	2026f
Revenue	39,419	45,729	44,355	43,962	44,405	44,930
EBITDA	7,883	9,777	7,390	8,990	10,434	10,107
Funds from operations (FFO)	4,756	6,069	3,411	5,303	6,498	6,343
Interest expense	699	850	1,175	1,439	1,037	959
Cash flow from operations (CFO)	4,613	(2,047)	(399)	11,435	6,733	3,555
Capital expenditure (capex)	5,250	3,924	3,212	2,206	1,732	1,800
Free operating cash flow (FOCF)	(637)	(5,971)	(3,611)	9,229	5,001	1,755
Dividends	1,546	1,510	1,764	1,496	1,426	2,053
Share repurchases (reported)	--	--	--	--	--	--
Discretionary cash flow (DCF)	(2,183)	(7,482)	(5,375)	7,733	3,575	(297)
Debt	8,434	16,117	20,681	18,333	11,695	14,800
Equity	58,443	58,423	57,639	66,795	72,250	76,862
Adjusted ratios						
Debt/EBITDA (x)	1.1	1.6	2.8	2.0	1.1	1.5
FFO/debt (%)	56.4	37.7	16.5	28.9	55.6	42.9
EBITDA interest coverage (x)	11.3	11.5	6.3	6.2	10.1	10.5
CFO/debt (%)	54.7	(12.7)	(1.9)	62.4	57.6	24.0
FOCF/debt (%)	(7.6)	(37.1)	(17.5)	50.3	42.8	11.9
DCF/debt (%)	(25.9)	(46.4)	(26.0)	42.2	30.6	(2.0)
Annual revenue growth (%)	12.5	16.0	(3.0)	(0.9)	1.0	1.2
EBITDA margin (%)	20.0	21.4	16.7	20.4	23.5	22.5

Financial Summary

Becle, S. A. B. de C. V--Financial Summary

Period ending	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	MXN	MXN	MXN	MXN	MXN	MXN
Revenues	29,705	35,036	39,419	45,729	44,355	43,962
EBITDA	6,029	7,546	7,883	9,777	7,390	8,990
Funds from operations (FFO)	5,188	6,101	4,756	6,069	3,411	5,303
Interest expense	529	545	699	850	1,175	1,439
Cash interest paid	381	417	263	515	863	1,155
Operating cash flow (OCF)	1,778	4,120	4,613	(2,047)	(399)	11,435
Capital expenditure	2,227	3,636	5,250	3,924	3,212	2,206
Free operating cash flow (FOCF)	(449)	484	(637)	(5,971)	(3,611)	9,229
Discretionary cash flow (DCF)	(2,256)	56	(2,183)	(7,482)	(5,375)	7,733
Cash and short-term investments	9,628	7,646	12,791	4,521	6,367	10,685
Gross available cash	9,628	7,646	12,791	4,521	6,367	10,685
Debt	8,539	4,771	8,434	16,117	20,681	18,333
Common equity	48,592	54,745	58,443	58,423	57,639	66,795
Adjusted ratios						
EBITDA margin (%)	20.3	21.5	20.0	21.4	16.7	20.4
Return on capital (%)	9.8	12.0	11.6	12.6	8.5	10.1
EBITDA interest coverage (x)	11.4	13.9	11.3	11.5	6.3	6.2
FFO cash interest coverage (x)	14.6	15.6	19.1	12.8	4.9	5.6
Debt/EBITDA (x)	1.4	0.6	1.1	1.6	2.8	2.0
FFO/debt (%)	60.8	127.9	56.4	37.7	16.5	28.9
OCF/debt (%)	20.8	86.4	54.7	(12.7)	(1.9)	62.4
FOCF/debt (%)	(5.3)	10.1	(7.6)	(37.1)	(17.5)	50.3
DCF/debt (%)	(26.4)	1.2	(25.9)	(46.4)	(26.0)	42.2

Peer Comparison

Becle, S. A. B. de C. V--Peer Comparisons

	Becle S.A.B. de C.V.	Constellation Brands Inc.	Pernod Ricard S.A.	Brown- Forman Corp.	Diageo PLC
Foreign currency issuer credit rating	BBB-/Stable/--	BBB/Stable/A-2	BBB+/Stable/A-2	A-/Stable/A-2	A-/Stable/A-2
Local currency issuer credit rating	BBB-/Stable/--	BBB/Stable/A-2	BBB+/Stable/A-2	A-/Stable/A-2	A-/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2025-02-28	2025-06-30	2025-04-30	2025-06-30
Mil.	MXN	MXN	MXN	MXN	MXN
Revenue	43,962	209,610	242,173	77,882	381,651
EBITDA	8,990	82,122	71,355	23,845	117,785
Funds from operations (FFO)	5,303	67,448	52,350	15,488	78,310
Interest	1,439	10,672	11,381	2,479	18,343

Becle, S. A. B. de C. V.--Peer Comparisons

Cash interest paid	1,155	10,627	9,789	2,420	18,475
Operating cash flow (OCF)	11,435	64,951	39,556	12,510	81,571
Capital expenditure	2,206	23,405	14,739	3,272	30,389
Free operating cash flow (FOCF)	9,229	41,546	24,816	9,238	51,182
Discretionary cash flow (DCF)	7,733	1,982	(1,967)	1,009	5,260
Cash and short-term investments	10,685	1,398	33,236	8,699	41,474
Gross available cash	10,685	1,398	33,236	8,699	41,474
Debt	18,333	249,955	269,752	49,753	430,805
Equity	66,795	146,495	358,564	78,235	248,427
EBITDA margin (%)	20.4	39.2	29.5	30.6	30.9
Return on capital (%)	10.1	16.3	9.8	17.4	16.2
EBITDA interest coverage (x)	6.2	7.7	6.3	9.6	6.4
FFO cash interest coverage (x)	5.6	7.3	6.3	7.4	5.2
Debt/EBITDA (x)	2.0	3.0	3.8	2.1	3.7
FFO/debt (%)	28.9	27.0	19.4	31.1	18.2
OCF/debt (%)	62.4	26.0	14.7	25.1	18.9
FOCF/debt (%)	50.3	16.6	9.2	18.6	11.9
DCF/debt (%)	42.2	0.8	(0.7)	2.0	1.2

Environmental, Social, And Governance

ESG factors have had no material influence on our credit rating analysis of Becle.

Rating Component Scores

Foreign currency issuer credit rating	BBB-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--
Business risk	Fair
Country risk	Intermediate
Industry risk	Low
Competitive position	Fair
Financial risk	Intermediate
Cash flow/leverage	Intermediate
Anchor	bb+
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Positive (+1 notch)
Stand-alone credit profile	bbb-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), April 4, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

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