



Becle, S.A.B. de C.V. Reports Fourth Quarter and Full Year 2020 Unaudited Financial Results

Mexico City, Mexico, February 25, 2021 /BUSINESSWIRE/ -- BECLE, S.A.B. de C.V. ("Cuervo", "Becle" or the "Company") (BMV: CUERVO) today announced financial results for the quarter and full year ended December 31, 2020.

All figures in this release are derived from the interim consolidated financial statements of the Company as of December 31, 2020, and for the three and twelve-month period then ended, which are prepared in accordance with International Financial Reporting Standard (IFRS).

Fourth quarter 2020 highlights

- Volume decreased 1.2% to 7.5 million nine-liter cases;
- Net sales increased 2.8% to P\$10,729 million pesos;
- Gross profit decreased 2.4% to P\$5,184 million pesos. Gross margin was 48.3%;
- EBITDA decreased 41.8% to P\$1,315 million pesos. EBITDA margin was 12.3%;
- Consolidated net income decreased 35.7% to P\$919 million pesos. Net margin was 8.6% and;
- Earnings per share were P\$0.26.

Full Year 2020 Highlights

- Volume increased 7.0% (+6.0% reported) on an underlying basis to 23.7 million nine-liter cases;
- Net sales increased 19.4% (+17.9 reported) on an underlying basis to P\$35,037 million pesos;
- Gross profit increased 16.5% to P\$18,246 million pesos; Gross margin was 52.1%;
- EBITDA increased 24.8% to P\$7,607 million pesos. EBITDA margin was 21.7% an improvement of 1.2 percentage points year over year and;
- Consolidated net income increased 38.6% to P\$5,152 million pesos. Net margin was 14.7% and;
- Earnings per share were P\$1.43.

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



Management commentary

Becle ended 2020 with 3% year on year top line growth during the fourth quarter and 18% year on year top line growth for the year. This was driven by strong results in the United States and Canada which delivered 22% year on year volume growth and 33% year on year top line growth for the full year. This more than offset the challenges we faced in the rest of the regions in which we operate. Despite year on year input cost pressures, gross profit and EBITDA grew 17% and 25% for the full year, respectively. This led to full year net income growth of 39%.

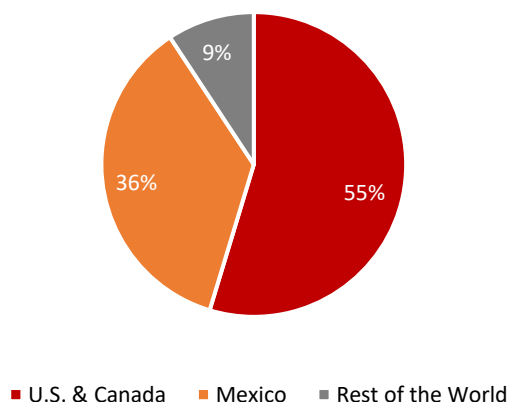
As the year came to a close, we continued to face challenges in several of our markets as a result of the COVID-19 pandemic. Yet, as we did throughout the year, our management was able to adapt effectively to the rapidly changing conditions. This allowed us to continue to execute our business plan efficiently and end the year with sequential improvements in most of our categories. We remain hopeful that as the world comes to a recovery, some geographies will begin to recuperate from a social and economic standpoint towards the second half of the year. Although the current environment and outlook are unusually uncertain, we are confident we will continue to adapt successfully as circumstances evolve, as we did in 2020.

Fourth quarter 2020 results

Volume by region 4Q20 (in 000s nine-liter cases)

Region	4Q20	4Q19	(Var.% YoY)
U.S. & Canada	4,090	3,914	4.5%
Mexico	2,696	2,771	-2.7%
Rest of the World	693	883	-21.5%
Total	7,479	7,568	-1.2%

Volume breakdown by region 4Q20

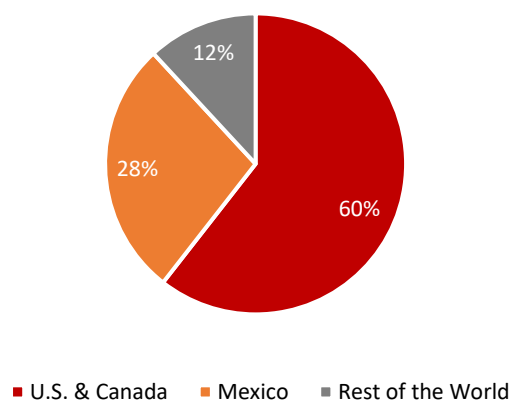


During the fourth quarter of 2020, total volume decreased 1.2% to 7.5 million nine-liter cases. The year over year growth is explained by a 4.5% volume increase in the U.S. and Canada, driven by strong depletions for our brands, mainly ready-to-drink (RTD) and tequilas, partially offset by a sequentially natural deceleration following a socially restricted holiday season. There was a 2.7% year on year volume decrease in Mexico due to the impact of COVID-19 restrictions, as well as a challenging macroeconomic environment. There was a 21.5% year on year volume decline in the Rest of the World (RoW) region mainly due to the impact of COVID-19 restrictions within the region.

Net sales by region 4Q20 (in MXN\$, millions)

Region	4Q20	4Q19	(Var.% YoY)
U.S. & Canada	6,494	6,207	4.6%
Mexico	2,957	2,836	4.3%
Rest of the World	1,277	1,391	-8.2%
Total	10,729	10,434	2.8%

Net sales breakdown by region 4Q20

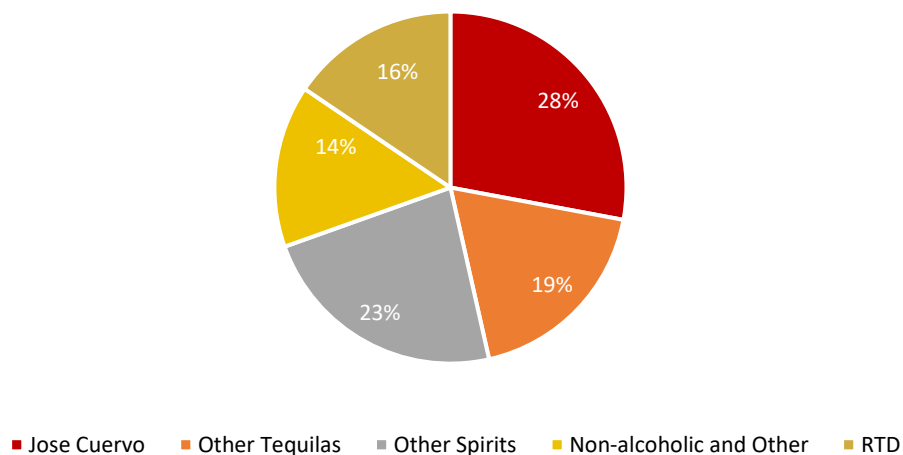


Fourth quarter 2020 net sales increased 2.8% year on year to P\$10,729 million pesos. U.S. and Canada net sales increased 4.6% year on year, primarily reflecting a product mix skewed towards lower sales per case brands partially offset by the Mexican peso depreciation against the U.S. dollar on a year over year basis. In the same period, net sales in Mexico increased 4.3%, primarily due to year on year price increases in our portfolio which were partially offset by volume declines. Net sales for the RoW region decreased by 8.2% when compared to the fourth quarter of 2019, primarily reflecting volume declines partially offset by a better product mix as well as price increases in the region.

Volume by category 4Q20 (in 000s nine-liter cases)

Category	4Q20	4Q19	(Var.% YoY)
Jose Cuervo	2,089	2,644	-21.0%
Other Tequilas	1,386	1,373	1.0%
Other Spirits	1,728	1,785	-3.2%
Non-Alcoholic and Other	1,114	960	16.0%
RTD	1,161	806	44.1%
Total	7,479	7,568	-1.2%

Volume breakdown by category 4Q20

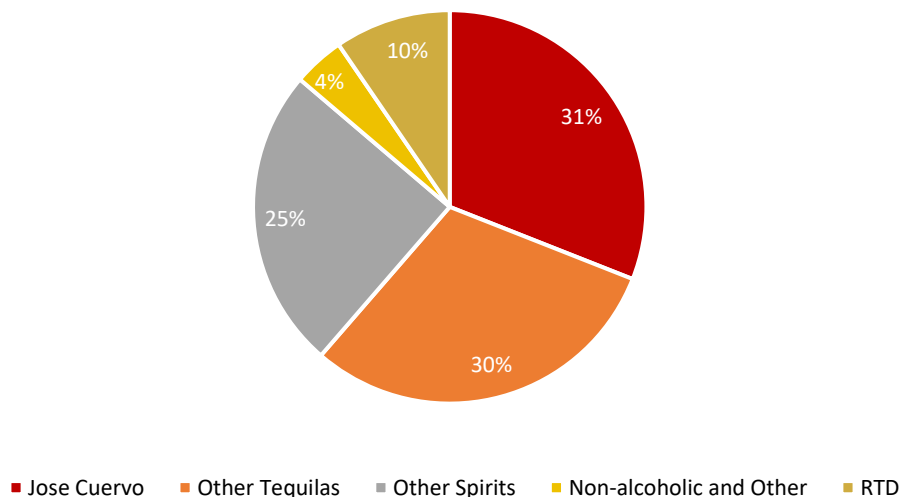


Volume of 'Jose Cuervo' decreased 21.0% compared to the same period in 2019 and represented 27.9% of total volume for the fourth quarter of 2020. 'Other Tequila' brands represented 18.5% of total volume, with volume increasing 1.0% compared to the prior year period. 'Other Spirits' brands represented 23.1% of total volume in the period and experienced a 3.2% decline in volume over the fourth quarter of 2019. Volume of 'Non-alcoholic and Other' represented 14.9% of total volume and increased 16.0% compared to the prior year period. Volume of 'RTD' represented 15.5% of total volume and grew by 44.1% compared to the same period in the previous year.


Net sales by category 4Q20 (in MXN\$, millions)

Category	4Q20	4Q19	(Var.% YoY)
Jose Cuervo	3,324	3,825	-13.1%
Other Tequilas	3,260	2,949	10.5%
Other Spirits	2,667	2,554	4.4%
Non-alcoholic and Other	452	437	3.6%
RTD	1,026	669	53.3%
Total	10,729	10,434	2.8%

Net sales breakdown by category 4Q20



Net sales of 'Jose Cuervo' decreased 13.1% compared to the same period in 2019 and represented 31.0% of total net sales for the fourth quarter of 2020. Net sales of 'Other Tequila' brands increased 10.5% compared to the prior year period and represented 30.4% of total net sales. 'Other Spirits' brands represented 24.9% of total net sales in the period and increased 4.4% compared to the fourth quarter of last year. Net sales of 'Non-alcoholic and Other' represented 4.2% of total net sales and increased 3.6% compared to the prior year period. Net sales of 'RTD' represented 9.6% of total net sales and increased 53.3% compared to the same period in the previous year.



Gross profit during the fourth quarter of 2020 decreased 2.4% over the same period in 2019 to P\$5,184 million pesos. Gross margin was 48.3% for the fourth quarter of 2020 compared to 50.9% for the fourth quarter of 2019, reflecting year-over-year input cost increases.

Advertising, marketing and promotion (AMP) expenses increased 17.7% to P\$2,537 million pesos when compared to the fourth quarter of 2019. This AMP expense increase indicates the reactivation and phasing of AMP investment opportunities across our regions as well as our brands strengthening in key categories and markets. As a percentage of net sales, AMP increased to 23.6% from 20.7% in the same period of the previous year.

Distribution expenses increased 52.7% to P\$526 million pesos when compared to the fourth quarter of 2019, driven by higher volume and increased logistics costs.


Selling and administrative (SG&A) expenses increased 24.6% to P\$1,006 million pesos when compared to the fourth quarter of 2019. As a percentage of net sales, SG&A increased to 9.4% from 7.7% in the same period of 2019, primarily driven by a higher accrual for variable based compensation, reflecting strong yearly results.

Operating income during the fourth quarter of 2020 decreased 44.0% to P\$1,141 million pesos compared to the same period of 2019. Operating margin decreased to 10.6% compared to 19.5% in the same prior year period.

EBITDA in the fourth quarter of 2020 decreased 41.8% to P\$1,315 million pesos compared to the fourth quarter of 2019. The EBITDA margin was 12.3% for the fourth quarter of 2020 versus 21.6% for the fourth quarter of 2019.

Net financial result was a loss of P\$7 million pesos during the fourth quarter of 2020 compared to a gain of P\$17 million pesos in the same period of 2019. This loss was mainly derived from net interest expenses as well as the Mexican peso appreciation versus the U.S. dollar when compared to the third quarter of 2020, partially offset by the recognition of the fair value of the Company's call option to acquire 51% of the equity interests of Eire Born Spirits LLC (EBS).

The Company has a call option to acquire 51% of the equity interests of EBS. According to IFRS 9 and IAS 32, as of December 31, 2020, the 51% option is classified and measured as an asset (financial instrument) on the consolidated statement of financial position and is classified and measured at Fair Value through Profit and Loss (FVTPL). The FVTPL resulted in a \$304 million pesos gain in the changes in the fair value of financial instruments within the net financial results line in the consolidated income statement.



As a result of its exposure to the exchange rate risk between the U.S. dollar and the Mexican Peso, as of January 1st, 2020, the Company has designated its US\$500 million Senior Notes as a hedge against its net investments in its U.S. operations. As a result of this adoption, all foreign exchange gains and losses associated with the Company's Senior Notes have been recognized as a P\$1.2 billion pesos gain in the other comprehensive income line (which will be reflected in the Company's equity on the consolidated statement of financial position and on the consolidated statement of comprehensive income) and not on the consolidated income statement for the three months ended December 31, 2020 (see IFRS 9; IFRIC 16: Net Investment Hedge Disclosures).

Consolidated net income in the fourth quarter of 2020 decreased 35.7% to P\$919 million pesos, compared to P\$1,429 million pesos in 2019. Net margin was 8.6% for the fourth quarter of 2020, compared to 13.7% for the fourth quarter of 2019. Earnings per share were P\$0.26 in the fourth quarter of 2020, compared to P\$0.40 in the same period of the prior year.

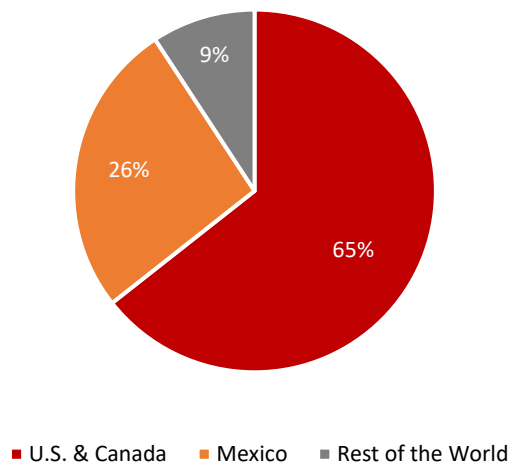
Full Year 2020 Results

Volume by Region for Full Year 2020 (in 000s nine-liter cases)

Region	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
U.S. & Canada	15,230	15,230	12,460	12,269	24.1%	22.2%
Mexico	6,237	6,237	7,297	7,294	-14.5%	-14.5%
Rest of the World	2,187	2,187	2,560	2,549	-14.2%	-14.6%
Total	23,654	23,654	22,317	22,112	7.0%	6.0%

*Pro forma for the non-renewal of the distribution agreement with The Cholula Food Company in April of 2019. For comparison purposes only.

Volume breakdown by region 2020



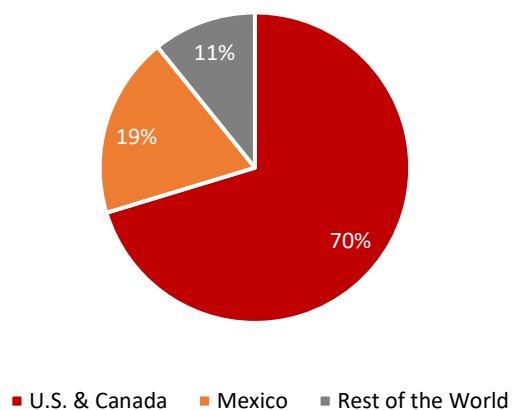
During the full year of 2020, total volume growth was 7.0% to 23.7 million nine-liter cases on an underlying basis (+6.0% reported). This increase reflects an underlying 24.1% increase in the U.S. and Canada (+22.2% reported), a 14.5% underlying and reported decrease in volumes in Mexico and a 14.2% underlying decrease in the RoW region (-14.6% reported).

Net Sales by Region for Full Year 2020 (in MXN\$, millions)

Region	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
U.S. & Canada	24,631	24,631	18,514	18,176	35.5%	33.0%
Mexico	6,619	6,619	7,248	7,245	-8.7%	-8.7%
Rest of the World	3,787	3,788	3,943	3,927	-3.5%	-4.0%
Total	35,036	35,037	29,705	29,348	19.4%	17.9%

*Pro forma for the non-renewal of the distribution agreement with The Cholula Food Company in April of 2019. For comparison purposes only.

Net sales breakdown by region 2020



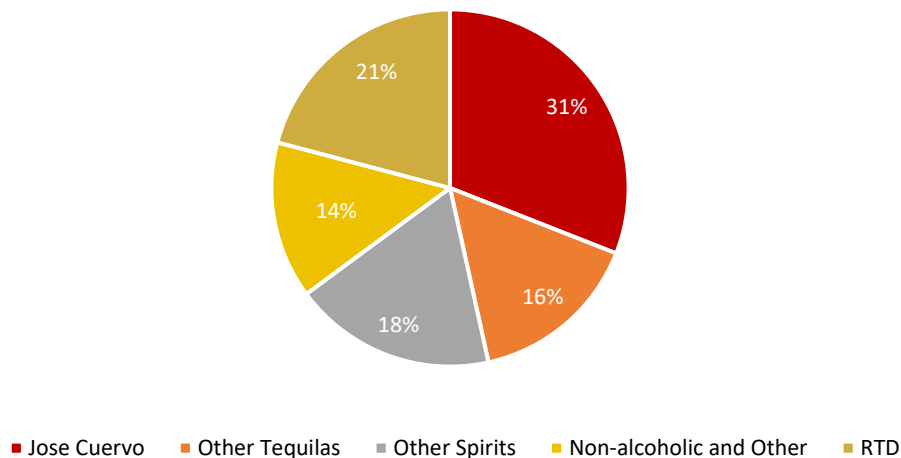
Net sales during the full year 2020 increased 19.4% to P\$35,037 million pesos on an underlying basis (+17.9% reported) compared to the same period in 2019, driven by volume growth and higher average net selling prices per case. This reflects the favorable region mix toward the U.S. and Canada. Net sales in the U.S. and Canada increased by an underlying 35.5% (+33.0% reported) versus the same period in 2019, driven by both volume growth and Mexican peso depreciation against the U.S. dollar on a year over year basis. Mexico net sales decreased 8.7% year on year on an underlying and reported basis due to volume growth and higher average net selling prices per case mainly as a result of price increases. Net sales for the RoW region decreased 3.5% on an underlying basis (-4.0% reported) over the full year of 2019, also reflecting volume declines partially offset by a higher sales mix of premium spirits brands and price increases.

Volume by Category for Full Year 2020 (in 000s nine-liter cases)

Category	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
Jose Cuervo	7,325	7,325	7,296	7,296	0.4%	0.4%
Other Tequilas	3,684	3,684	3,574	3,574	3.1%	3.1%
Other Spirits	4,341	4,341	4,452	4,452	-2.5%	-2.5%
Non-alcoholic and Other	3,364	3,364	3,929	3,724	-9.7%	-14.4%
<u>RTD</u>	<u>4,940</u>	<u>4,940</u>	<u>3,067</u>	<u>3,067</u>	<u>61.1%</u>	<u>61.1%</u>
Total	23,655	23,654	22,317	22,112	7.0%	6.0%

*Pro forma for the non-renewal of the distribution agreement with The Cholula Food Company in April of 2019. For comparison purposes only.

Volume breakdown by category 2020



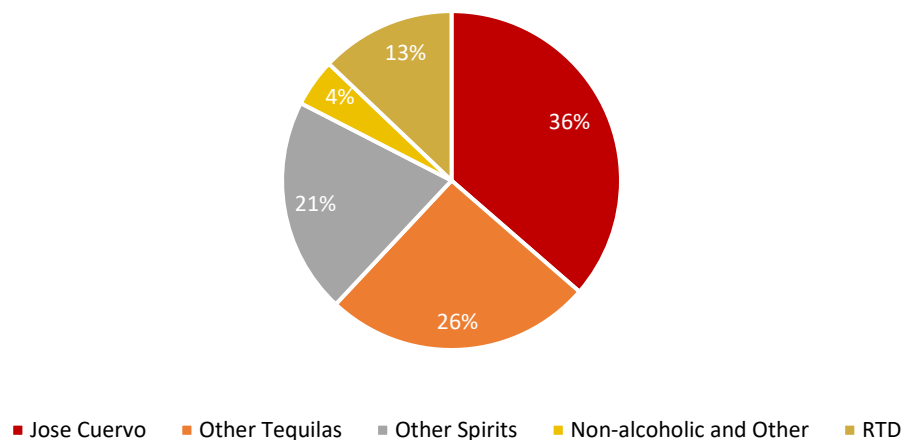
Volume of 'Jose Cuervo' grew 0.4% versus the previous year and represented 31.0% of total volume for the full year of 2020. The Company's 'Other Tequila' brands represented 15.6% of total volume and increased 3.1% compared to the prior year. The Company's 'Other Spirits' brands represented 18.4% of total volume in the period and decreased 2.5% over the full year of 2019. Volume of 'Non-alcoholic and Other' represented 14.2% of total volume, declining 9.7% on an underlying basis compared to the prior year (-14.4% reported). Volume of 'RTD' represented 20.9% of total volume and increased by 61.1% compared to the prior year period.

Net Sales by Category for Full Year 2020 (in MXN\$, millions)


Category	2020	2020 PF*	2019	2019 PF*	(Var.% YoY) PF*	(Var.% YoY)
Jose Cuervo	12,771	12,771	10,697	10,697	19.4%	19.4%
Other Tequilas	9,045	9,045	7,463	7,463	21.2%	21.2%
Other Spirits	7,228	7,228	6,765	6,765	6.8%	6.8%
Non-alcoholic and Other	1,476	1,477	2,273	1,916	-22.9%	-35.0%
RTD	<u>4,515</u>	<u>4,515</u>	<u>2,507</u>	<u>2,507</u>	<u>80.1%</u>	<u>80.1%</u>
Total	35,036	35,037	29,705	29,348	19.4%	17.9%

*Pro forma for the non-renewal of the distribution agreement with The Cholula Food Company in April of 2019. For comparison purposes only.

Net sales breakdown by category 2020



'Jose Cuervo' reported an increase in net sales of 19.4% compared to 2019, representing 36.5% of total net sales for the full year of 2020. The Company's 'Other Tequila' brands increased net sales 21.2% compared to the prior year representing 25.8% of total net sales. The Company's 'Other Spirits' brands represented 20.6% of total net sales in the period and reported a 6.8% increase in net sales compared to the full year of 2019. Net sales of 'Non-alcoholic and Other' represented 4.2% of total net sales with net sales declining 22.9% on an underlying basis (-35.0% reported) compared to the prior year. Net sales of 'RTD' represented 12.9% of total net sales and reported an increase of 80.1% compared to the prior year.



Gross profit for the full year of 2020 increased 16.5% versus the same period in 2019 to P\$18,246 million pesos. Gross margin was 52.1% for the full year of 2020 compared to 52.7% for the full year of 2019. Gross margin was negatively impacted primarily by increases in input costs and lower production efficiencies; reflecting the impact of higher demand of super premium tequila along with the industry-wide sourcing of younger agave plants, affecting our distilling efficiency, but partially offset by a favorable regional mix towards the U.S. and Canada region.

AMP expenses increased 4.1% to P\$6,688 million pesos compared to the full year of 2019. As a percentage of net sales, AMP decreased to 19.1% from 21.6% in 2019, in line with the Company's investment strategy.

Distribution expenses increased 32.5% to P\$1,380 million pesos when compared to 2019. As a percentage of net sales, distribution expenses increased to 3.9% from 3.5% in 2019.


Selling and administrative (SG&A) expenses increased 14.5% to P\$3,377 million pesos when compared to the full year of 2019. As a percentage of net sales, SG&A expenses decreased 30 basis points to 9.6% from 9.9% in 2019, driven by firm cost control and supported by an acceleration in sales.

During the full year of 2020, operating profit increased 27.4% to P\$6,893 million pesos compared to the prior year. Operating margin increased to 19.7% compared to 18.2% in 2019.

EBITDA for the full year of 2020 increased by 24.8% to P\$7,607 million pesos compared to P\$6,096 million pesos for the full year of 2019. The EBITDA margin increased to 21.7% compared to 20.5% in 2019.

Net financial result was a loss of P\$38 million pesos for the full year 2020. This loss was mainly derived from interest expenses as well as the Mexican peso appreciation versus the U.S. dollar when compared to the third quarter of 2020, partially offset by the recognition of the fair value of the Company's call option to acquire 51% of EBS.

The Company has a call option to acquire 51% of the equity interests of EBS. The 51% option is classified and measured as an asset in the consolidated statement of financial position and is classified and measured at Fair Value through Profit and Loss (FVTPL). The FVTPL resulted in a \$304 million pesos gain in the changes in the fair value of financial instruments line in the consolidated income statement. As a result of its exposure to the exchange rate risk between the U.S. dollar and the Mexican Peso, as of January 1st, 2020, the Company has designated its US\$500 million Senior Notes as a hedge against its net investments in its U.S. operations. As a result of this adoption, all foreign exchange gains and losses associated with the Company's Senior Notes have been recognized as a P\$551 million pesos loss on the other comprehensive income line (which will be reflected in the Company's equity on the consolidated statement of financial position and on the consolidated statement of comprehensive income) and not on the consolidated income statement for the twelve months ended December 31st, 2020 (see IFRS 9; IFRIC 16: Net Investment Hedge Disclosures).



Consolidated net income for the full year of 2020 was P\$5,152 million pesos, a 38.6% increase compared to the prior year period. Net margin was 14.7% for the full year. Earnings per share were P\$1.43 compared to P\$1.04 in 2019.

Financial position and cash flow

As of December 31, 2020, cash and cash equivalents were P\$7,646 million pesos, and total financial debt was P\$9,956 million pesos. During 2020, the Company generated net cash from operating activities of P\$3,746 million pesos, and the Company used P\$5,070 million pesos in net investing activities. Net cash used in financing activities was P\$1,318 million pesos for the twelve-month period ended December 31, 2020.

Increase in equity participation of Eire Born Spirits

On February 23, 2021, the Company provided notice of the exercise of its call option to acquire 51% of the equity interests of EBS.



IFRS 9; IFRIC 16: Net investment hedge disclosures

Financial instruments to hedge net investments in foreign operations

Beginning January 1, 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.T.) on, Thursday, February 25, 2021, to discuss the Company's fourth quarter 2020 unaudited financial results. Interested parties may also listen to a simultaneous webcast of the conference call by logging onto the Company's website at <http://public.viavid.com/index.php?id=143336> or www.becle.com.mx.

Fourth Quarter 2020 Unaudited Financial Results Conference Call and Webcast Details

Date: Thursday, February 25, 2021

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

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

Dial-in:

Mexico Toll-free 01 800 522 0034

U.S. Toll-free 1-877-407-0792

Toll/International 1-201-689-8263

Conference ID: 13715883

Webcast: <http://public.viavid.com/index.php?id=143336> or www.becle.com.mx.

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

About Becele

Becele is a globally renowned company in the spirits industry and the world's largest producer of tequila. Its extraordinary portfolio of over 30 spirits brands, some of them owned, some of them agency brands distributed only in Mexico, has been developed throughout the years to participate in key categories with high growth potential, serving the world's most important alcoholic beverage markets and attending key consumer preferences and tendencies. Becele'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® and Boodles®, 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®, among others. Some of Becele's brands are sold and distributed in more than 85 countries.



EBITDA

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

Investor Relations Contact:

Mariana Rojo
marojo@cuervo.com.mx

Alfredo Rubio
alrubio@cuervo.com.mx

Corporate Affairs:

Alfredo López
alopez@cuervo.com.mx

Consolidated Income Statements

	Fourth quarter ended December 31, 2020			Fourth quarter ended December 31, 2019		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	538	10,729		10,434		295	2.8
Cost of goods sold	278	5,545	51.7	5,122	49.1	422	8.2
Gross profit	260	5,184	48.3	5,312	50.9	(128)	(2.4)
Advertising, marketing and promotion	127	2,537	23.6	2,156	20.7	381	17.7
Distribution	26	526	4.9	344	3.3	181	52.7
Selling and administrative	50	1,006	9.4	807	7.7	199	24.6
Other (income), net	(1)	(25)	-0.2	(34)	-0.3	9	(25.4)
Operating income	57	1,141	10.6	2,038	19.5	(897)	(44.0)
Financing Results	0	7	0.1	(17)	-0.2	23	(139.4)
Income before income taxes	57	1,134	10.6	2,055	19.7	(921)	(44.8)
Income taxes	11	215	2.0	625	6.0	(410)	(65.6)
Consolidated net income	46	919	8.6	1,429	13.7	(510)	(35.7)
Non-controlling interest	0	3	0.0	8	0.1	NM	NM
Controlling interest	46	916	8.5	1,421	13.6	(505)	(35.6)
Depreciation and amortization	9	175	1.6	220	2.1	(46)	(20.8)
EBITDA	66	1,315	12.3	2,259	21.6	(943)	(41.8)
Earnings per share	0.01	0.26		0.40		(0.14)	(35.6)
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,588			

(1) U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.

Consolidated Income Statements

	Twelve months ended December 31, 2020			Twelve months ended December 31, 2019		Year over year variance	
	(U.S. \$) ⁽¹⁾	(Pesos)	% of net sales	(Pesos)	% of net sales	\$	%
(Figures in millions, except per share amounts)							
Net sales	1,756	35,036		29,705		5,331	17.9
Cost of goods sold	842	16,790	47.9	14,039	47.3	2,751	19.6
Gross profit	915	18,246	52.1	15,666	52.7	2,580	16.5
Advertising, marketing and promotion	335	6,688	19.1	6,425	21.6	263	4.1
Distribution	69	1,380	3.9	1,041	3.5	339	32.5
Selling and administrative	169	3,377	9.6	2,950	9.9	428	14.5
Other (income), net	(5)	(92)	-0.3	(160)	-0.5	68	(42.7)
Operating Income	346	6,893	19.7	5,410	18.2	1,482	27.4
Financing Results	2	38	0.1	263	0.9	(224)	(85.4)
Profit before income taxes	344	6,854	19.6	5,147	17.3	1,707	33.2
Total income taxes	85	1,702	4.9	1,430	4.8	273	19.1
Consolidated net income	258	5,152	14.7	3,718	12.5	1,434	38.6
Non-controlling interest	0	6	0.0	6	0.0	NM	NM
Controlling net income	258	5,146	14.7	3,712	12.5	1,434	38.6
Depreciation and amortization	36	714	2.0	685	2.0	29	4.2
EBITDA	381	7,607	21.7	6,096	20.5	1,512	24.8
Earnings per share	0.07	1.43		1.04		0.40	38.5
Shares (in millions) used in calculation of earnings per share	3,591	3,591		3,588			

(1) U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Financial Position

	December 31, 2020	December 31, 2019	
(Figures in millions)	(U.S. \$) ⁽¹⁾	(Pesos)	(Pesos)
Assets			
Cash and cash equivalents	383	7,646	9,628
Trade receivables - Net	462	9,214	9,295
Related parties	3	57	103
Recoverable income tax	31	624	782
Other recoverable taxes and receivables	65	1,291	637
Inventories	561	11,194	9,438
Financial Instruments at fair value through profit and loss	15	304	0
Biological assets	15	292	915
Prepayments	50	1,005	851
Total current assets	1,585	31,627	31,650
Inventories	299	5,960	4,991
Biological assets	245	4,895	2,719
Investments in associates	79	1,580	267
Property, plant and equipment - Net	510	10,169	6,945
Intangible assets	774	15,447	14,230
Goodwill	345	6,891	6,253
Right-of-use assets	118	2,352	2,046
Deferred income tax	118	2,357	1,314
Employee benefits - net	12	235	251
Other assets	3	68	59
Total non-current assets	2,504	49,955	39,075
Total assets	4,090	81,582	70,725
Liabilities			
Short-term, Senior-Notes	2	49	46
Trade payables	154	3,062	2,183
Related parties	8	170	68
Lease liabilities	31	617	446
Other accounts payable	241	4,810	3,945
Total current liabilities	437	8,708	6,687
Long-term Senior Notes	497	9,907	9,345
Lease liabilities	92	1,844	1,703
Environmental reserve	6	126	118
Other long-term liabilities	25	508	191
Deferred income taxes	288	5,743	4,089
Total non-current liabilities	909	18,129	15,445
Total liabilities	1,345	26,837	22,133
Stockholders' equity attributable to Controlling interest	2,740	54,666	48,520
Non-controlling interest	4	79	73
Total stockholders' equity	2,744	54,745	48,592
Total liabilities and stockholders' equity	4,090	81,582	70,725

(1) U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.

Consolidated Statements of Cash Flow

(Figures in millions)	(U.S. \$) ⁽¹⁾	Twelve months ended December 31, 2020 (Pesos)	Twelve months ended December 31, 2019 (Pesos)
Operating activities:			
Income before income taxes	344	6,854	5,147
Adjustment from non-cash items:			
Depreciation and amortization	36	714	685
Loss on sale of property, plant and equipment	3	55	95
Non-cash items	12	243	(13)
Interest income	(7)	(144)	(191)
Unrealized foreign exchange profit	(12)	(233)	(218)
Interest expense	21	419	543
Equity method	(4)	(78)	0
Net cost for the period of employee benefits	4	70	31
Subtotal	396	7,900	6,260
(Increase) decrease in:			
Trade receivables	(0)	(5)	(1,073)
Related parties	5	100	57
Other recoverable taxes and receivables	(28)	(565)	(99)
Inventories	(102)	(2,042)	(2,970)
Biological assets	(84)	(1,666)	(672)
Prepayments	(5)	(101)	(74)
Other assets	16	317	294
Increase (decrease) in:			
Trade accounts payable	37	739	(371)
Other accounts payables	7	139	1,460
Employee benefits	(2)	(43)	16
Income taxes paid or recoverable	(52)	(1,028)	(461)
Net cash from operating activities	188	3,746	2,369
Investing Activities:			
Property, plant and equipment	(178)	(3,544)	(2,038)
Intangible assets	(5)	(92)	(189)
Investment in associates	(80)	(1,593)	0
Other stockholders' movements	0	0	266
Interest income	7	144	191
Sale of property, plant and equipment	1	16	12
Net cash flows used in investing activities	(254)	(5,070)	(1,758)
Financing activities:			
Dividends paid	(27)	(544)	(1,962)
Repurchase of shares - Net	6	115	155
Principal and interest lease payments	(20)	(393)	(251)
Acquisition of minority interest	0	0	(21)
Interest paid	(25)	(497)	(360)
Net cash used in financing activities	(66)	(1,318)	(2,609)
Net decrease of cash and cash equivalents	(132)	(2,642)	(1,998)
Cash and cash equivalents at beginning of year:			
At beginning of the period	483	9,628	12,028
Cash proceeds from acquisition	1	13	
Effects of exchange rate changes on cash and cash equivalents	32	647	(401)
Cash and cash equivalents at end of period	383	7,646	9,628

(1) U.S. dollars translated at 19.95 Mexican pesos solely for the convenience of the reader.