

COCA COLA FEMSA SAB DE CV
Form 6-K
April 26, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

For the month of April 2019
Commission File Number 1-12260

COCA-COLA FEMSA, S.A.B. de C.V.

(Translation of registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

**Calle Mario Pani No. 100,
Santa Fe Cuajimalpa,
Cuajimalpa de Morelos,
05348, Ciudad de México,**

México

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Yes No

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7)

Yes__No_X

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes__No_X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with

Rule 12g3-2(b): 82-__.

Coca-Cola FEMSA Announces First Quarter 2019 Results

Mexico City, April 26, 2019, Coca-Cola FEMSA, S.A.B. de C.V. (BMV: KOF UBL, NYSE: KOF) (“Coca-Cola FEMSA”, “KOF” or the “Company”), the largest Coca-Cola franchise bottler in the world by sales volume, announces results for the first quarter of 2019.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Volumes performed strongly in Brazil; transactions outperformed volumes in Argentina and Brazil.
- Revenues increased 4.8%, while comparable revenues grew 10.0%. Pricing ahead of inflation in most of our operations, combined with volume growth in Brazil was partially offset by unfavorable currency translation effects from all of our operating currencies.
- Operating income declined 0.9% while comparable operating income increased 9.2%, driven mainly by higher concentrate costs, higher PET prices, the depreciation of most of our operating currencies as applied to our U.S. dollar denominated raw material costs and higher labor expenses, effects that were partially offset by lower sweetener costs and operating expense efficiencies.
- Earnings per share¹ were Ps. 0.15 (earnings per unit were Ps. 1.23 and per ADS were Ps. 12.33).

Change vs. same period of last year

| | | 1Q19 | 1Q19 | 1Q19 |
|-----------------------------------|--------------------------|-------------|-------------|-------------|
| As Reported ⁽²⁾ | Consolidated | 4.8% | 3.3% | (0.9%) |
| | Mexico & Central America | 11.4% | 12.4% | 15.6% |
| | South America | (1.9%) | (6.4%) | (15.0%) |
| Comparable ⁽³⁾ | Consolidated | 10.0% | 8.8% | 9.2% |
| | Mexico & Central America | 7.2% | 8.3% | 12.4% |
| | South America | 13.7% | 9.7% | 5.4% |

John Santa Maria, Coca-Cola FEMSA’s CEO, commented:

“I am pleased with our Company’s positive results to start the year. Despite currency volatility and uncertain economic conditions that affected our financial performance, our revenues grew 4.8% while our comparable revenues grew 10.0%. In addition, our operating income declined 0.9% while our comparable operating income increased 9.2%. In Mexico & Central America, we reported healthy top-and-bottom line growth, as we continued leveraging our

state-of-the-art analytics capabilities. Our South America Division's performance was driven mainly by strong volume growth in Brazil, where we continued to gain share across categories thanks to our robust portfolio and relentless point-of-sale execution. To protect our profitability, we continued to implement mitigation actions to navigate complex environments in Colombia and Argentina. Finally, guided by the clarity of our vision of becoming a total beverage leader with global footprint, on April 11, we completed our previously announced stock split and listing of units for trading in the Mexican Stock Exchange and the New York Stock Exchange. This important milestone enhances the flexibility of our capital structure by increasing our capacity to issue equity, positioning our Company for further sustainable, profitable growth and expansion."

(1) *Quarterly earnings / outstanding shares. Earnings per share (EPS) for all periods are adjusted to give effect to the stock split resulting in 16,806.7 million shares outstanding. For the convenience of the reader, as a KOF UBL Unit is comprised of 8 shares (3 Series B shares and 5 Series L shares); earnings per unit are equal to EPS multiplied by 8. Each ADS represents 10 KOF UBL Units.*

(2) *According to IFRS 5, figures for 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.*

(3) *Please refer to page 7 for our definition of "comparable" and a description of the factors affecting the comparability of our financial and **operating performance**.*

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RECENT DEVELOPMENTS

- During the first quarter 2019, the Company prepaid Ps. 4,700 million of bilateral loans due in October 2019.
- On March 8, 2019, the Company held an Extraordinary General Shareholders Meeting that resolved amendments to the Company's bylaws. As a result, Series A shareholders are entitled to appoint up to 13 Directors, Series D shareholders are entitled to appoint *up to* 5 and Series L shareholders continue to have the right to appoint up to 3. On March 14, as a result of these amendments our shareholders approved a Board of Directors composed of 18 members as compared to 21, previously.
- On March 14, 2019, the Company held its Annual Ordinary General Shareholders Meeting, during which its shareholders approved the Company's consolidated financial statements for the year ended December 31, 2018, the annual report presented by the Board of Directors, the declaration of dividends corresponding to fiscal year 2018, and the composition of the Board of Directors and the Finance and Planning, Audit, and Corporate Practices Committees for 2019. Shareholders approved the payment of the proposed cash dividend of Ps. 3.54 per share. After giving effect to the stock split, the dividend payment approved is equivalent to Ps. 0.4425 per share, to be paid in two installments as of May 3, 2019, and November 1, 2019.

- On April 11, 2019, Coca-Cola FEMSA completed the previously announced eight-for-one stock split, the issuance of new Series B shares (with full voting rights) and the creation and listing of KOF UBL units. As a result, (a) Series A and Series D split eight-for-one, and (b) for each Series L shares (KOF L), its holders received a new KOF UBL unit that replaces the previous KOF L. Each new KOF UBL unit consists of 3 Series B shares and 5 Series L shares (with limited voting rights). As of the same date, KOF UBL units were listed for trading on the Mexican Stock Exchange (BMV) under ticker symbol KOF UBL and ADSs (each representing 10 units) were listed for trading on the New York Stock Exchange (NYSE) under ticker symbol KOF.

The capital stock of the Company prior to and immediately after the Stock Split is as follows:

- Coca-Cola FEMSA released its 2018 integrated report entitled “Clarity, Consistency and Commitment”, the annual report on Form 20-F filing to the U.S. Securities and Exchange Commission, and the annual report filing to the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*). These three reports are available on the Investor Relations section of Coca-Cola FEMSA’s website at www.coca-colafemsa.com

CONFERENCE CALL INFORMATION

CONSOLIDATED FIRST QUARTER RESULTS

Expressed in millions of Mexican pesos

| | 1Q 2019 | 1Q 2018 | Δ% | Δ% |
|------------------------------------|----------------|----------------|-----------|-----------|
| Total revenues | 46,248 | 44,122 | 4.8% | 10.0% |
| Gross profit | 20,892 | 20,215 | 3.3% | 8.8% |
| Operating income | 5,714 | 5,765 | (0.9%) | 9.2% |
| Operating cash flow ⁽³⁾ | 8,541 | 8,164 | 4.6% | 11.1% |

Volume increased 1.0% to 796.1 million unit cases, driven mainly by a 9.1% growth in Brazil and the consolidation of recently acquired territories in Guatemala and Uruguay partially offset by volume declines in the rest of our operations. On a comparable basis, total volumes remained flat at 0.1%.

Total revenues increased 4.8% to Ps. 46,248 million, driven mainly by price increases in line with or above inflation across our territories coupled with volume growth in Brazil, the consolidation of recently acquired territories in Guatemala and Uruguay and a favorable mix effect driven by transactions growing ahead of volumes. These factors were partially offset by the negative translation effect resulting from the depreciation of all of our operating currencies as compared to the Mexican Peso, combined with volume decline in Argentina, Colombia and Mexico. On a comparable basis, total revenues increased 10.0%.

Gross profit increased 3.3% to Ps. 20,892 million, and gross margin contracted 60 basis points to 45.2%. Lower sweetener prices were offset by i) higher concentrate costs in Mexico; ii) higher concentrate costs in Brazil, related to the reduction of tax credits on concentrate purchased from the Manaus Free Trade Zone; iii) higher PET prices across most of our operations; and iv) the depreciation in the average exchange rate of most of our operating currencies as applied to our U.S. dollar-denominated raw material costs. On a comparable basis, gross profit increased 8.8%.

Operating income declined 0.9% to Ps. 5,714 million, and operating margin contracted 70 basis points to 12.4%. This decline was driven mainly by higher labor and freight expenses coupled with restructuring indemnities, effects that were partially offset by operating expense efficiencies. On a comparable basis, operating income increased 9.2%.

(1) According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(2) Please refer to page 7 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance.

(3) Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges.

Comprehensive financing result recorded an expense of Ps. 1,593 million, compared to an expense of Ps. 2,100 million in the same period of 2018. This reduction was driven mainly by a reduction in our interest expense, net, a reduction in foreign exchange loss—as our cash exposure in U.S. dollars was negatively impacted by the appreciation of the Mexican Peso during the first quarter of 2019—and a reduction in other financial expenses.

Income tax as a percentage of income before taxes was 32.6% as compared to 30.7% during the same period of the previous year. This increase was driven mainly by the increase in the relative weight of Brazil's profits in our consolidated results, which has a higher tax rate, and a higher effective tax in Colombia.

Net income attributable to equity holders of the company reached Ps. 2,590 million as compared to Ps. 2,414 million during the same period of the previous year. Earnings per share¹ were Ps. 0.15 (earnings per unit⁵ were Ps. 1.23 and earnings per ADS were Ps. 12.33).

(1) Quarterly earnings / outstanding shares. Earnings per share (EPS) for all periods are adjusted to give effect to the stock split resulting in 16,806.7 million shares outstanding. For the convenience of the reader, as a KOF UBL Unit is comprised of 8 shares (3 Series B shares and 5 Series L shares), earnings per unit are equal to EPS multiplied by 8. Each ADS represents 10 KOF UBL Units.

MEXICO & CENTRAL AMERICA DIVISION FIRST QUARTER RESULTS

(Mexico, Guatemala, Costa Rica, Panama, and Nicaragua)

| <i>Expressed in millions of Mexican pesos</i> | 1Q 2019 | 1Q 2018 | Δ% | Δ% |
|---|----------------|----------------|-----------|-----------|
| Total revenues | 24,823 | 22,277 | 11.4% | 7.2% |
| Gross profit | 11,781 | 10,484 | 12.4% | 8.3% |
| Operating income | 3,076 | 2,662 | 15.6% | 12.4% |
| Operating cash flow ⁽³⁾ | 4,772 | 4,096 | 16.5% | 12.5% |

Volume increased 0.7% to 478.0 million unit cases, driven by the consolidation of recently acquired territories in Guatemala and volume growth in Costa Rica, partially offset by volume decline in Mexico, Nicaragua and Panama. On a comparable basis, volume declined 2.3%.

Total revenues increased 11.4% to Ps. 24,823 million, driven by pricing ahead of inflation across the division, volume growth in Costa Rica and the consolidation of recently acquired territories in Guatemala as of May 1, 2018, partially offset by volume declines in Mexico, Nicaragua and Panama and by a slight unfavorable mix driven by volumes outperforming transactions. On a comparable basis, total revenues increased 7.2%.

Gross profit increased 12.4% to Ps. 11,781 million and gross profit margin expanded 40 basis points to 47.5% driven mainly by our pricing initiatives and lower sweetener costs. These factors were partially offset by higher concentrate costs in Mexico, higher PET prices and an unfavorable currency hedging position in Mexico. On a comparable basis, gross profit increased 8.3%.

Operating income increased 15.6% to Ps. 3,076 million in the first quarter of 2019, and operating income margin expanded 50 basis points to 12.4% during the period driven mainly by lower maintenance and freight costs, partially offset by a non-cash operating foreign exchange loss and restructuring indemnities. On a comparable basis, operating income increased 12.4%.

(1) According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(2) Please refer to page 7 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance.

(3) Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges.

SOUTH AMERICA DIVISION FIRST QUARTER RESULTS

(Brazil, Argentina, Colombia, and Uruguay)

| <i>Expressed in millions of Mexican pesos</i> | 1Q 2019 | 1Q 2018 | Δ% | Δ% |
|---|--------------------|--------------------|-----------|-----------|
| Total revenues | 21,425 | 21,845 | (1.9%) | 13.7% |
| Gross profit | 9,111 | 9,732 | (6.4%) | 9.7% |
| Operating income | 2,638 | 3,103 | (15.0%) | 5.4% |
| Operating cash flow ⁽³⁾ | 3,768 | 4,068 | (7.4%) | 9.1% |

Volume increased 1.6% to 318.1 million unit cases, driven by a 9.1% volume growth in Brazil and the consolidation of the recently acquired territory in Uruguay partially offset by volume declines in Argentina and Colombia. On a comparable basis, volume grew 4.3%.

Total revenues declined 1.9% to Ps. 21,425 million, driven mainly by a volume contraction in Argentina and Colombia, coupled with an unfavorable currency translation effect resulting from the depreciation of the Argentine Peso, the Brazilian Real, and the Colombian Peso as compared to the Mexican Peso. These factors were partially offset by strong volume growth in Brazil, pricing ahead of inflation in Argentina, Brazil, and Colombia, a favorable mix effect driven by transactions outperforming volumes, and the consolidation of the recently acquired territory in Uruguay as of July 1, 2018. On a comparable basis, total revenues increased 13.7%.

Gross profit decreased 6.4% to Ps. 9,111 million, and gross profit margin contracted 200 basis points to 42.5%. This is a result of higher PET prices in the division, higher concentrate costs in Brazil related to the reduction of tax credits on concentrate purchased from the Manaus free trade zone, and the depreciation of the average exchange rate of the Argentine

Peso, the Brazilian Real, and the Colombian Peso as applied to our U.S. dollar-denominated raw material costs. These factors were partially offset by our pricing initiatives and lower sweetener prices. On a comparable basis, gross profit increased 9.7%.

Operating income decreased 15.0% to Ps. 2,638 million in the first quarter of 2019, resulting in a margin contraction of 190 basis points to 12.3% driven mainly by restructuring indemnities in Colombia, partially offset by operating expense efficiencies. On a comparable basis, operating income increased 5.4%.

(1) According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(2) Please refer to page 7 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and

(3) Operating cash flow = operating income + depreciation + amortization & other operating non-cash charges.

DEFINITIONS

Volume is expressed in unit cases. Unit case refers to 192 ounces of finished beverage product (24 eight-ounce servings) and, when applied to soda fountains, refers to the volume of syrup, powders and concentrate that is required to produce 192 ounces of finished beverage product.

Transactions refers to the number of single units (e.g. a can or a bottle) sold, regardless of their size or volume or whether they are sold individually or in multipacks, except for soda fountains, which represent multiple transactions based on a standard 12 oz. serving.

Operating income is a non-GAAP financial measure computed as “gross profit – operating expenses – other operating expenses, net + operative equity method (gain) loss in associates.”

Operating cash flow is a non-GAAP financial measure computed as “operating income + depreciation + amortization & other operating non-cash charges.”

Earnings per share are equal to “quarterly earnings / outstanding shares.” Earnings per share (EPS) for all periods are adjusted to give effect to the stock split resulting in 16,806,658,096 shares outstanding. For the convenience of the reader, as a KOF UBL Unit is comprised of 8 shares (3 Series B shares and 5 Series L shares), earnings per unit are equal to EPS multiplied by 8. Each ADS represents 10 KOF UBL Units.

COMPARABILITY

In an effort to provide our readers with a more useful representation of our company's underlying financial and operating performance, we are including the term “Comparable.” This means, with respect to a year-over-year comparison, the change of a given measure excluding the effects of: (i) mergers, acquisitions, and divestitures, including acquisitions made in Guatemala and Uruguay as of May and July 2018, respectively; (ii) translation effects resulting from exchange rate movements; and (iii) the results of hyperinflationary subsidiaries in both periods: Argentina's results from 2019 and 2018. In preparing this measure, management has used its best judgment, estimates, and assumptions in order to maintain comparability. The relation between our reported and comparable figures is described in the

following chart:

()Reported 2018 figures reflect the Philippines as a discontinued operation.*

Coca-Cola FEMSA Reports 1Q2019 Results
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ABOUT THE COMPANY

Stock listing information: Mexican Stock Exchange, Ticker: KOF UBL | NYSE (ADS), Ticker: KOF
| Ratio of KOF UBL to KOF = 10:1

Coca-Cola FEMSA files reports, including annual reports and other information with the U.S. Securities and Exchange Commission, or the “SEC”, and the Mexican Stock Exchange (Bolsa Mexicana de Valores, or the “BMV”) pursuant to the rules and regulations of the SEC (that apply to foreign private issuers) and of the BMV. Filings we make electronically with the SEC and the BMV are available to the public on the Internet at the SEC’s website at www.sec.gov, the BMV’s website at www.bmv.com.mx and our website at www.coca-colafemsa.com.

Coca-Cola FEMSA, S.A.B. de C.V. is the largest Coca-Cola franchise bottler in the world by sales volume. The Company produces and distributes trademark beverages of The Coca-Cola Company, offering a wide portfolio of 131 brands to a population of more than 257 million. With over 83 thousand employees, the Company markets and sells approximately 3.3 billion unit cases through close to 2 million points of sale a year. Operating 49 manufacturing plants and 275 distribution centers, Coca-Cola FEMSA is committed to generating economic, social, and environmental value for all of its stakeholders across the value chain. The Company is a member of the Dow Jones Sustainability Emerging Markets Index, Dow Jones Sustainability MILA Pacific Alliance Index, FTSE4Good Emerging Index, and the Mexican Stock Exchange’s IPC and Social Responsibility and Sustainability Indices, among others. Its operations encompass franchise territories in Mexico, Brazil, Guatemala, Colombia, and Argentina, and nationwide, in Costa Rica, Nicaragua, Panama, Uruguay, and Venezuela through its investment in KOF Venezuela. For further information, please visit www.coca-colafemsa.com

ADDITIONAL INFORMATION

All of the financial information presented in this report was prepared under International Financial Reporting Standards (IFRS).

This news release may contain forward-looking statements concerning Coca-Cola FEMSA’s future performance, which should be considered as good faith estimates by Coca-Cola FEMSA. These forward-looking statements reflect management’s expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, many of which are outside Coca-Cola FEMSA’s control, which could materially impact the Company’s actual performance. References herein to “US\$” are to United States dollars. This news release contains translations of certain Mexican peso amounts into U.S. dollars for the convenience of the reader. These translations should not be construed as representations that Mexican peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

(5 pages of tables to follow)

Millions of Pesos ⁽¹⁾

| | 2019 | % of Rev. | 2018 ⁽⁴⁾ | % of Rev. Reported | Δ% | Comparable ⁽⁸⁾ |
|--|---------|--------------|---------------------|-----------------------|--------|------------------------------|
| Transactions (million transactions) | 4,837.8 | | 4,685.5 | | 3.3% | 3.1% |
| Volume (million unit cases) | 796.1 | | 787.9 | | 1.0% | 0.1% |
| Average price per unit case | 52.57 | | 51.30 | | 2.5% | |
| Net revenues | 46,021 | | 44,005 | | 4.6% | |
| Other operating revenues | 227 | | 117 | | 93.8% | |
| Total revenues ⁽²⁾ | 46,248 | 100.0% | 44,122 | 100.0% | 4.8% | 10.0% |
| Cost of goods sold | 25,355 | 54.8% | 23,907 | 54.2% | 6.1% | |
| Gross profit | 20,892 | 45.2% | 20,215 | 45.8% | 3.3% | 8.8% |
| Operating expenses | 14,847 | 32.1% | 14,370 | 32.6% | 3.3% | |
| Other operative expenses, net | 310 | 0.7% | 31 | 0.1% | 890.0% | |
| Operative equity method (gain) loss in associates ⁽³⁾ | 22 | 0.0% | 49 | 0.1% | -55.6% | |
| Operating income ⁽⁶⁾ | 5,714 | 12.4% | 5,765 | 13.1% | -0.9% | 9.2% |
| Other non operative expenses, net | 75 | 0.2% | 62 | 0.1% | 21.1% | |
| Non Operative equity method (gain) loss in associates ⁽⁵⁾ | (34) | -0.1% | 12 | 0.0% | NA | |
| Interest expense | 1,735 | | 2,009 | | -13.7% | |
| Interest income | 249 | | 376 | | -33.9% | |
| Interest expense, net | 1,486 | | 1,633 | | -9.0% | |
| Foreign exchange loss (gain) | 112 | | 221 | | -49.1% | |
| Loss (gain) on monetary position in inflationary subsidiaries | (5) | | - | | NA | |
| Market value (gain) loss on financial instruments | (0) | | 246 | | NA | |
| Comprehensive financing result | 1,593 | | 2,100 | | -24.1% | |
| Income before taxes | 4,079 | | 3,592 | | 13.6% | |
| Income taxes | 1,331 | | 1,102 | | 20.8% | |
| | - | | 51 | | NA | |

| | | | | | | |
|---|-------------|------------------|-----------------|---------------------------|-----------|-----------------------|
| Result of discontinued operations | | | | | | |
| Consolidated net income | 2,749 | | 2,541 | | 8.2% | |
| Net income attributable to equity holders of the company | 2,590 | | 2,414 | | | |
| | | 5.6% | | 5.5% | 7.3% | |
| Non-controlling interest | 158 | 0.3% | 127 | 0.3% | 24.3% | |
| | 2019 | % of Rev. | 2018 (4) | % of Rev. Reported | Δ% | Comparable (8) |
| Operating income (6) | 5,714 | 12.4% | 5,765 | 13.1% | -0.9% | |
| Depreciation | 2,262 | | 1,983 | | 14.1% | |
| Amortization and other operative non-cash charges | 564 | | 416 | | 35.6% | |
| Operating cash flow (6)(7) | 8,541 | 18.5% | 8,164 | 18.5% | 4.6% | 11.1% |
| CAPEX | 1,541 | | 1,612 | | -4.5% | |

(1) Except volume and average price per unit case figures.

(2) Please refer to page 12 for revenue breakdown.

(3) Includes equity method in Jugos del Valle, Leao Alimentos, Estrella Azul, among others.

(4) According to IFRS 5, figures from 2018 do not include the Philippines as it is presented as a discontinued operation as of January 1, 2018.

(5) Includes equity method in PIASA, IEQSA, Beta San Miguel, IMER and KSP Participacoes among others.

(6) The operating income and operating cash flow lines are presented as non-gaap measures for the convenience of the reader.

(7) Operating cash flow = operating income + depreciation, amortization & other operating non-cash charges.

(8) Please refer to page 7 for our definition of "comparable" and a description of the factors affecting the comparability of our financial and operating performance.

Millions of Pesos ⁽¹⁾

| | 2019 | % of Rev. | 2018 | % of Rev. Reported | Δ% | Δ% Comparable ⁽⁶⁾ |
|--|-------------|------------------|-------------|---------------------------|-----------|-------------------------------------|
| Transactions (million transactions) | 2,688.4 | | 2,674.0 | | 0.5% | 0.0% |
| Volume (million unit cases) | 478.0 | | 474.9 | | 0.7% | -2.2% |
| Average price per unit case | 51.86 | | 46.89 | | 10.6% | |
| Net revenues | 24,788 | | 22,269 | | | |
| Other operating revenues | 35 | | 9 | | | |
| Total Revenues ⁽²⁾ | 24,823 | 100.0% | 22,277 | 100.0% | 11.4% | 7.2% |
| Cost of goods sold | 13,042 | 52.5% | 11,794 | 52.9% | | |
| Gross profit | 11,781 | 47.5% | 10,484 | 47.1% | 12.4% | 8.3% |
| Operating expenses | 8,556 | 34.5% | 7,866 | 35.3% | | |
| Other operative expenses, net | 112 | 0.5% | (103) | -0.5% | | |
| Operative equity method (gain) loss in associates ⁽³⁾ | 36 | 0.1% | 59 | 0.3% | | |
| Operating income ⁽⁴⁾ | 3,076 | 12.4% | 2,662 | 11.9% | 15.6% | 12.4% |
| Depreciation, amortization & other operating non-cash charges | 1,696 | 6.8% | 1,434 | 6.4% | | |
| Operating cash flow ⁽⁴⁾⁽⁵⁾ | 4,772 | 19.2% | 4,096 | 18.4% | 16.5% | 12.5% |

(1) Except volume and average price per unit case figures.

(2) Please refer to page 12 for revenue breakdown.

(3) Includes equity method in Jugos del Valle, Estrella Azul, among others.

(4) The operating income and operating cash flow lines are presented as non-gAAP measures for the convenience of the reader.

(5) Operating cash flow = operating income + depreciation, amortization & other operating non-cash charges.

(6) Please refer to page 7 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance.

Millions of Pesos ⁽¹⁾

| | 2019 | % of Rev. | 2018 | % of Rev. Reported | Δ% | Δ% Comparable (6) |
|--|-------------|----------------------|-------------|-------------------------------|-----------|----------------------------------|
| Transactions (million transactions) | 2,149.4 | | 2,011.5 | | 6.9% | 7.9% |
| Volume (million unit cases) | 318.1 | | 313.0 | | 1.6% | 4.3% |
| Average price per unit case | 53.65 | | 57.98 | | -7.5% | |
| Net revenues | 21,233 | | 21,737 | | | |
| Other operating revenues | 192 | | 108 | | | |
| Total Revenues ⁽²⁾ | 21,425 | 100.0% | 21,845 | 100.0% | -1.9% | 13.7% |
| Cost of goods sold | 12,314 | 57.5% | 12,113 | 55.5% | | |
| Gross profit | 9,111 | 42.5% | 9,732 | 44.5% | -6.4% | 9.7% |
| Operating expenses | 6,291 | 29.4% | 6,504 | 29.8% | | |
| Other operative expenses, net | 197 | 0.9% | 135 | 0.6% | | |
| Operative equity method (gain) loss in associates ⁽³⁾ | (15) | -0.1% | (10) | 0.0% | | |
| Operating income ⁽⁴⁾ | 2,638 | 12.3% | 3,103 | 14.2% | -15.0% | 5.4% |
| Depreciation, amortization & other operating non-cash charges | 1,130 | 5.3% | 965 | 4.4% | | |
| Operating cash flow ⁽⁴⁾⁽⁵⁾ | 3,768 | 17.6% | 4,068 | 18.6% | -7.4% | 9.1% |

(1) Except volume and average price per unit case figures.

(2) Please refer to page 12 for revenue breakdown.

(3) Includes equity method in Leao Alimentos, Verde Campo, among others.

(4) The operating income and operating cash flow lines are presented as non-gaap measures for the convenience of the reader.

(5) Operating cash flow = operating income + depreciation, amortization & other operating non-cash charges.

(6) Please refer to page 7 for our definition of “comparable” and a description of the factors affecting the comparability of our financial and operating performance

Millions of Pesos

| | Mar-19 | Dec-18 | % Var. | | Mar-19 | Dec-18 | % Var. |
|--|----------------|----------------|-------------------|---|----------------|----------------|-------------------|
| Current Assets | | | | Current Liabilities | | | |
| Cash, cash equivalents and marketable securities | 23,615 | 23,727 | 0% | Short-term bank loans and notes payable | 16,862 | 11,604 | 45% |
| Total accounts receivable | 10,814 | 14,847 | -27% | Suppliers | 16,547 | 19,746 | -16% |
| Inventories | 10,661 | 10,051 | 6% | Short-term leasing liabilities | 498 | - | |
| Other current assets | 8,699 | 8,865 | -2% | Other current liabilities | 22,587 | 14,174 | 59% |
| Total current assets | 53,789 | 57,490 | -6% | Total current liabilities | 56,494 | 45,524 | 24% |
| Non-Current Assets | | | | Non-Current Liabilities | | | |
| Property, plant and equipment | 105,485 | 106,259 | -1% | Long-term bank loans and notes payable | 59,328 | 70,201 | -15% |
| Accumulated depreciation | (45,073) | (44,316) | 2% | Long Term Leasing Liabilities. | 1,146 | - | |
| Total property, plant and equipment, net | 60,411 | 61,942 | -2% | Other long-term liabilities | 16,645 | 16,313 | 2% |
| Right of use assets | 1,637 | - | NA | Total liabilities | 133,612 | 132,037 | 1% |
| Investment in shares | 10,688 | 10,518 | 2% | Equity | | | |
| Intangible assets and other assets | 115,640 | 116,804 | -1% | Non-controlling interest | 6,808 | 6,807 | 0% |
| Other non-current assets | 16,931 | 17,033 | -1% | Total controlling interest | 118,674 | 124,943 | -5% |
| Total Assets | 259,095 | 263,788 | -2% | Total equity | 125,483 | 131,750 | -5% |
| | | | | Total Liabilities and Equity | 259,095 | 263,788 | -2% |

March 31, 2019

| | % Total Debt ⁽¹⁾ | % Interest Rate Floating ^{(1) (2)} | Average Rate |
|-------------------|--------------------------------|---|-----------------|
| <i>Currency</i> | | | |
| Mexican Pesos | 57.3% | 10.9% | 8.4% |
| U.S. Dollars | 9.5% | 0.0% | 3.9% |
| Colombian Pesos | 1.9% | 85.3% | 5.7% |
| Brazilian Reals | 29.3% | 1.8% | 8.5% |
| Uruguayan Pesos | 1.7% | 0.0% | 10.0% |
| Argentine Pesos | 0.3% | 0.0% | 39.7% |
| Total Debt | 100% | 4.6% | 8.1% |

⁽¹⁾ After giving effect to cross-currency swaps.

⁽²⁾ Calculated by weighting each year's outstanding debt balance mix.

| | LTM 2019 | FY 2018 | Δ% |
|---|---------------------|----------------|-----------|
| Net debt including effect of hedges ⁽¹⁾⁽³⁾ | 51,590 | 56,934 | -9.4% |
| Net debt including effect of hedges / Operating cash flow ⁽¹⁾⁽³⁾ | 1.43 | 1.61 | |
| Operating cash flow/ Interest expense, net ⁽¹⁾ | 5.75 | 5.40 | |
| Capitalization ⁽²⁾ | 41.2% | 40.5% | |

⁽¹⁾ Net debt = total debt - cash

⁽²⁾ Total debt / (long-term debt + shareholders' equity)

⁽³⁾ After giving effect to cross-currency swaps.

| | 1Q 2019 | | | | | 1Q 2018 (3) | | | | | YoY |
|----------------------------|--------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|--------------|-------------|
| | Sparkling | Water (1) | Bulk (2) | Stills | Total | Sparkling | Water (1) | Bulk (2) | Stills | Total | Δ % |
| Mexico | 304.5 | 21.9 | 66.0 | 29.2 | 421.6 | 310.1 | 25.2 | 66.5 | 28.2 | 430.0 | -1.9% |
| Central America | 48.0 | 3.0 | 0.2 | 5.1 | 56.4 | 36.8 | 2.9 | 0.2 | 5.0 | 44.9 | 25.5% |
| Mexico and Central America | 352.5 | 24.9 | 66.2 | 34.3 | 478.0 | 347.0 | 28.1 | 66.7 | 33.1 | 474.9 | 0.7% |
| Colombia | 45.7 | 6.3 | 4.7 | 3.6 | 60.4 | 50.4 | 6.8 | 5.1 | 4.4 | 66.7 | -9.4% |
| Brazil | 182.3 | 14.6 | 2.4 | 13.1 | 212.4 | 169.3 | 12.4 | 2.1 | 10.9 | 194.8 | 9.1% |
| Argentina | 27.4 | 3.8 | 1.0 | 2.5 | 34.7 | 40.8 | 5.3 | 1.5 | 4.0 | 51.6 | -32.7% |
| Uruguay | 9.5 | 1.0 | - | 0.1 | 10.6 | - | - | - | - | - | NA |
| South America | 264.9 | 25.7 | 8.1 | 19.4 | 318.1 | 260.5 | 24.6 | 8.6 | 19.3 | 313.0 | 1.6% |
| TOTAL | 617.4 | 50.6 | 74.3 | 53.7 | 796.1 | 607.5 | 52.6 | 75.3 | 52.4 | 787.9 | 1.0% |

(1) Excludes water presentations larger than 5.0 Lt ; includes flavored water.

(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations; includes flavored water

| | 1Q 2019 | | | | 1Q 2018 (3) | | | | YoY |
|----------------------------|----------------|--------------|--------------|----------------|----------------|--------------|--------------|----------------|-------------|
| | Sparkling | Water | Stills | Total | Sparkling | Water | Stills | Total | Δ % |
| Mexico | 1,827.4 | 144.3 | 251.4 | 2,223.1 | 1,886.4 | 182.7 | 230.3 | 2,299.4 | -3.3% |
| Central America | 388.4 | 17.9 | 58.9 | 465.3 | 295.2 | 16.3 | 63.1 | 374.6 | 24.2% |
| Mexico and Central America | 2,215.9 | 162.3 | 310.3 | 2,688.4 | 2,181.6 | 199.0 | 293.4 | 2,674.0 | 0.5% |
| Colombia | 333.5 | 84.8 | 39.5 | 457.8 | 373.5 | 83.6 | 48.7 | 505.8 | -9.5% |
| Brazil | 1,180.9 | 124.8 | 130.0 | 1,435.7 | 1,024.3 | 108.3 | 116.0 | 1,248.7 | 15.0% |
| Argentina | 160.0 | 22.6 | 18.3 | 200.9 | 204.4 | 27.5 | 25.1 | 257.0 | -21.8% |
| Uruguay | 50.1 | 4.2 | 0.7 | 55.0 | - | - | - | - | - |
| South America | 1,724.4 | 236.4 | 188.6 | 2,149.4 | 1,602.2 | 219.4 | 189.9 | 2,011.5 | 6.9% |
| TOTAL | 3,940.3 | 398.7 | 498.8 | 4,837.8 | 3,783.8 | 418.4 | 483.3 | 4,685.5 | 3.3% |

Expressed in million Mexican Pesos

| | 1Q 2019 | 1Q 2018 (3) | Δ % |
|----------------------------|---------|-------------|-------|
| Mexico | 20,574 | 19,084 | 7.8% |
| Central America | 4,248 | 3,193 | 33.0% |
| Mexico and Central America | 24,823 | 22,277 | 11.4% |

| | | | |
|-----------------------|---------------|---------------|-------------|
| Colombia | 3,189 | 3,600 | -11.4% |
| Brazil ⁽⁴⁾ | 15,512 | 14,848 | 4.5% |
| Argentina | 1,825 | 3,397 | -46.3% |
| Uruguay | 899 | - | - |
| South America | 21,425 | 21,845 | -1.9% |
| TOTAL | 46,248 | 44,122 | 4.8% |

⁽³⁾ Volume, transactions and revenues for 1Q 2018 are re-presented excluding the Philippines.

⁽⁴⁾ Brazil includes beer revenues of Ps.4,166.6 million for the first quarter of 2019 and Ps. 3,586.5 million for the same period of the previous year.

⁽¹⁾ Volume is expressed in unit cases. Unit case refers to 192 ounces of finished beverage product (24 eight-ounce servings) and, when applied to soda fountains, refers to the volume of syrup, powders and concentrate that is required to produce 192 ounces of finished beverage product.

(2) Transactions refers to the number of single units (e.g. a can or a bottle) sold, regardless of their size or volume or whether they are sold individually or in multipacks, except for fountain which represents multiple transactions based on a standard 12 oz. serving.

| | LTM | 1Q19 |
|------------|------------|-------------|
| Mexico | 3.52% | 0.03% |
| Colombia | 2.88% | 1.76% |
| Brazil | 4.00% | 1.18% |
| Argentina | 53.26% | 10.80% |
| Costa Rica | 1.40% | 0.21% |
| Panama | -0.70% | -0.09% |
| Guatemala | 4.81% | 1.63% |
| Nicaragua | 3.41% | 0.30% |
| Uruguay | 7.60% | 4.17% |

⁽¹⁾ Source: inflation estimated by the company based on historic publications from the Central Bank of each country.

| | Quarterly Exchange | | |
|------------|---------------------------|--------------------------|------------|
| | Rate | (Local | |
| | | Currency per USD) | |
| | 1Q19 | 1Q18 | Δ % |
| Mexico | 19.22 | 18.76 | 2.5% |
| Colombia | 3,134.36 | 2,860.36 | 9.6% |
| Brazil | 3.77 | 3.24 | 16.2% |
| Argentina | 39.10 | 19.70 | 98.4% |
| Costa Rica | 609.96 | 571.95 | 6.6% |
| Panama | 1.00 | 1.00 | 0.0% |
| Guatemala | 7.72 | 7.37 | 4.8% |
| Nicaragua | 32.53 | 30.98 | 5.0% |
| Uruguay | 32.83 | 28.46 | 15.4% |

| | Closing Exchange | | | Closing Exchange | | |
|------------|---------------------------------|---------------|------------|---------------------------------|---------------|------------|
| | Rate | | | Rate | | |
| | (Local Currency per USD) | | | (Local Currency per USD) | | |
| | Mar-19 | Mar-18 | Δ % | Dic-18 | Dic-17 | Δ % |
| Mexico | 19.38 | 18.34 | 5.6% | 19.68 | 19.74 | -0.3% |
| Colombia | 3,174.79 | 2,780.47 | 14.2% | 3,249.75 | 2,984.00 | 8.9% |
| Brazil | 3.90 | 3.32 | 17.2% | 3.87 | 3.31 | 17.1% |
| Argentina | 43.35 | 20.15 | 115.1% | 37.70 | 18.65 | 102.1% |
| Costa Rica | 602.36 | 569.31 | 5.8% | 611.75 | 572.56 | 6.8% |
| Panama | 1.00 | 1.00 | 0.0% | 1.00 | 1.00 | 0.0% |

| | | | | | | |
|-----------|-------|-------|-------|-------|-------|-------|
| Guatemala | 7.68 | 7.40 | 3.8% | 7.74 | 7.34 | 5.4% |
| Nicaragua | 32.72 | 31.16 | 5.0% | 32.33 | 30.79 | 5.0% |
| Uruguay | 33.48 | 28.35 | 18.1% | 32.39 | 28.76 | 12.6% |

(2) Average exchange rate for each period computed with the average exchange rate of each month.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COCA-COLA FEMSA, S.A.B. DE C.V.

By: /s/ Constantino Spas Montesinos

Constantino Spas Montesinos

Chief Financial Officer

Date: April 26, 2019
