



# Results Discussions and Analysis

## FEMSA Consolidated

FEMSA's consolidated total revenues increased 7.6% to Ps. 840,954 million in 2025 compared to Ps. 781,585 million in 2024, reflecting growth across all of our business units, favorable currency translation effects, and the consolidation of our U.S. operations. Coca-Cola FEMSA's total revenues increased 4.3% to Ps. 291,746 million. Proximity Americas Division's revenues increased 7.0% to Ps. 328,839 million, driven by an average increase of 1.0% in same-store sales and the addition of 1,125 net new stores during the year. Proximity Europe Division's revenues increased 14.6% to Ps. 57,028 million, reflecting growth in our retail and B2C foodservice businesses, mainly in Switzerland, as well as favorable currency translation effects. The Health Division's revenues increased 10.5% to Ps. 88,129 million, reflecting growth in Chile, Colombia, particularly in the retail segment, and Ecuador, coupled with favorable currency translation effects and an increase of 8.0% in same-store sales. This was partially offset by a sustained challenging environment in Mexico and the net closure of 158 locations. The Fuel Division's revenues increased 2.8% to Ps. 67,195 million in 2025, driven by a 6.9% increase in same-station sales.

Consolidated gross profit increased 6.2% to Ps. 341,576 million in 2025 compared to Ps. 321,513 million in 2024. Gross margin decreased 50 basis points to 40.6% of total revenues compared to 2024, reflecting gross margin contraction in Coca-Cola FEMSA, Health and Proximity Europe Divisions, and nearly flat margin at our Fuel Division, as well as the reclassification of distribution expenses at the Health and Europe Divisions from selling expenses to cost of goods sold. This was partially offset by margin expansion at the Proximity Americas Division.

Consolidated administrative expenses slightly increased 0.6% to Ps. 39,325 million in 2025 compared to Ps. 39,085 million in 2024. As a percentage of total revenues, consolidated administrative expenses decreased 30 basis points, from 5.0% in 2024 to 4.7% in 2025. In 2025, we reclassified certain administrative expenses into selling expenses for the full year, for comparability purposes we suggest focusing on the sum of selling and administrative expenses.

	Total Revenues	% Growth vs' 24	Gross Profit	% Growth vs' 24
FEMSA Consolidated	840,954	7.6%	341,576	6.2%
Coca-Cola FEMSA	291,746	4.3%	133,176	3.4%
FEMSA Proximity Americas	328,839	7.0%	148,495	8.4%
FEMSA Proximity Europe	57,028	14.6%	23,250	8.9%
Fuels	67,195	2.8%	8,191	3.2%
FEMSA Health	88,129	10.5%	23,854	-0.8%

Consolidated selling expenses increased 8.2% to Ps. 229,324 million in 2025 as compared to Ps. 211,966 million in 2024. As a percentage of total revenues, selling expenses increased 20 basis points, from 27.1% in 2024 to 27.3% in 2025.

Some of our subsidiaries pay management fees to us in consideration for corporate services we provide to them. These fees are recorded as administrative expenses in the respective business segments. Our subsidiaries' payments of management fees are eliminated in consolidation and, therefore, have no effect on our consolidated operating expenses.

During 2025, other income decreased to Ps. 3,317 million from Ps. 3,588 million in 2024, mainly driven by insurance recovery, and foreign exchange gains, and a gain on sale of long-lived assets, this was offset by lower recoveries of other years' taxes, a non-recurrence of tax credit recovery and other investments as compared to 2024. *See Note 20 of our Consolidated Financial Statements.*

During 2025, other expenses decreased to Ps. 6,133 million from Ps. 9,440 million in 2024.

Foreign exchange loss was Ps. 5,747 million in 2025 as compared to a gain of Ps. 11,929 million recorded during the same period of 2024, related to the effect of FEMSA's U.S. dollar-denominated cash position impacted by the appreciation of the Mexican peso during 2025



relative to its depreciation in 2024. In addition, we recognized a higher gain in monetary position recording Ps. 385 million in 2025, compared to a Ps. 209 million during the previous year. The market value of financial instruments registered a gain of Ps. 1,729 million during 2025, as compared to a loss of Ps. 2,109 million in 2024. Net interest expense in 2025 was Ps. 13,641 million, compared to a net interest expense of Ps. 8,092 million in 2024, mainly driven by a comparison base which included gains on derivative instruments in 2024, a decrease in interest income and lower interest expense from Coca-Cola FEMSA's cash position.

Our provision for income taxes in 2025 was Ps. 19,956 million which includes the provision for income taxes from continued operations of Ps. 19,860 million, and Ps. 96 million from discontinued operations. The effective tax rate from continued operations in 2025 was 37.6%, compared to 37.1% in 2024. The increase for 2025 was mainly explained by a combination of charges, namely (i) non-deductible tax losses from Spin; and (ii) non-deductible labor related expenses in Mexico, both of which weighed more heavily given the lower pre-tax profits caused in part by FX losses relating to our US dollar cash balances. The effective tax rate from discontinued operations was 0.2% in 2025. See Note 25.8 of our Consolidated Financial Statements.

Share in the loss of equity accounted investees, net of taxes, resulted in a loss of Ps. 1,498 million in 2025 compared to Ps. 993 million in 2024, reflecting a loss in Grupo Nós, our joint venture in Brazil.

Despite improved operating results, consolidated net income was Ps. 33,053 million in 2025 compared to Ps. 40,236 million in 2024. This decrease is explained by: i) a non-cash foreign exchange loss of Ps. 5,747 million in 2025, compared to a gain of Ps. 11,929 million in 2024, related to our U.S. dollar-denominated cash position impacted by the appreciation of the Mexican peso, reflecting a Ps. 17,676 million swing from gain to loss, and ii) a higher net interest expenses of Ps. 13,641 million, compared to Ps. 8,092 million in 2024 due to lower interest income as a result of lower cash position and interest rates. This was partially offset by: i) a 4.7% increase in income from operations, ii) a decrease in income taxes of Ps. 5,573 million as explained above; and iii) a financial instrument gain of Ps. 1,729 million compared to a Ps. 2,109 million expense in 2024, which included our remaining position in Heineken.

Controlling interest income amounted to Ps. 19,431 million in 2025 compared to Ps. 26,735 million in 2024. Controlling interest income in 2025 per FEMSA Unit was Ps. 5.60 (US\$ 3.11 per ADS).

## Coca-Cola FEMSA

The comparability of Coca Cola FEMSA's financial and operating performance in 2025 as compared to 2024 was affected by the following factors: (1) translation effects from fluctuations in exchange rates and (2) its results in Argentina, whose economy meets the criteria to be considered a hyperinflationary economy. To translate the full-year results of Argentina for the years ended December 31, 2025 and 2024, Coca-Cola FEMSA used the exchange rate at December 31, 2025 of 1,455.00 Argentine pesos per U.S. dollar and the exchange rate at December 31, 2024 of 1,032.00 Argentine pesos per U.S. dollar. The depreciation of the exchange rate of the Argentine peso at December 31, 2025, as compared to the exchange rate at December 31, 2024, was 41.0%. In addition, the average depreciation of currencies used in its main operations relative to the U.S. dollar in 2025, as compared to 2024, was 3.7% for the Brazilian real and 5.1% for the Mexican peso, and an appreciation of 0.5% for the Colombian peso relative to the U.S. dollar.

Coca-Cola FEMSA's consolidated total revenues increased by 4.3% to Ps. 291,746 million in 2025 as compared to 2024, mainly as a result of revenue management initiatives and partially offset by volume decline and unfavorable currency translation effects into Mexican pesos.

Total sales volume decreased by 1.8% to 4,150.4 million unit cases in 2025 as compared to 2024, driven mainly by volume decline in Mexico, Colombia and Panama, and partially offset by volume growth in the rest of Coca-Cola FEMSA's territories.

Gross profit increased by 3.4% to Ps. 133,176 million in 2025 as compared to 2024, with a gross margin decrease of 40 basis points as compared to 2024 to reach 45.6% in 2025. This gross margin decrease was mainly driven by higher promotional discounts and an unfavorable mix, coupled with higher fixed costs such as labor. These effects were partially offset by lower sweetener costs and revenue growth.

Administrative and selling expenses (SG&A) increased by 4.1% to Ps. 91,708 million in 2025 as compared to 2024. Coca-Cola FEMSA's administrative and selling expenses as a percentage of total revenues decreased by 10 basis points to 31.4% in 2025 as compared to 2024, mainly driven by a decline in freight and marketing expenses. These effects were partially offset by higher labor and depreciation.

Coca-Cola FEMSA reported a net controlling interest income of Ps. 23,845 million in 2025, as compared to Ps. 23,729 million in 2024. This 0.5% increase was mainly driven by operating income growth and partially offset by an increase in Coca-Cola FEMSA's comprehensive financing coupled with an increase in its effective tax rate during the year.



## Proximity Americas Division

Proximity Americas Division's total revenues increased 7.0% to Ps. 328,839 million in 2025 compared to Ps. 307,197 million in 2024, reflecting an average increase in same-store sales of 1.0%, resulting from a challenging first half, driven primarily by weaker traffic in Mexico amid a soft consumer environment and adverse weather conditions; however, results improved sequentially in the second half of the year supported by affordability initiatives, ticket growth, as well as the addition of 1,125 net new stores during the year. This includes 240 stores from our acquisition of Delek's retail operations in the USA, which we started consolidating in the fourth quarter of 2024, marking now a full year of consolidation. As of December 31, 2025, there were a total of 25,587 stores. As referenced above, OXXO same-store sales increased an average of 1.0% compared to 2024, driven by a higher average ticket that mitigated negative traffic trends in Mexico, reflecting a sequential recovery during the second half of the year as our affordability strategy in price-package architecture supported consumption despite a persistently soft consumer environment in Mexico. Performance outside of Mexico continued with favorable trends, mainly driven by positive same-store sales across all markets coupled with expansion in most countries. In Colombia and Peru, growth was coupled by footprint expansion, While in the US we saw an increase in total sales from existing operations, this was partially offset by a tougher environment in OXXO Chile.

Cost of goods sold increased 6.0% to Ps. 180,344 million in 2025, compared to Ps. 170,204 million in 2024. Gross margin increased 60 basis points to reach 45.2% of total revenues. This increase reflects strong contribution from commercial income and an increase in financial services as well as gross margin expansion in the U.S., Chile, Peru and Colombia. As a result, gross profit increased 8.4% to Ps. 148,495 million in 2025 compared with 2024.

Administrative expenses increased 11.8% to Ps. 10,405 million in 2025, compared to Ps. 8,642 million in 2024. As a percentage of sales, administrative expenses increased to 3.2% in 2025, from 2.8% in 2024. This increase reflects higher expenses related to the expansion of our store base offset by overhead savings. Selling expenses increased 10.2% to Ps. 108,018 million in 2025 compared with Ps. 98,653 million in 2024. As a percentage of sales, selling expenses increased to 32.8% in 2025 from 32.1% in 2024. This was driven by the minimum wage increase in Mexico during 2025.

## Proximity Europe Division

Proximity Europe Division's total revenues for 2025 amounted to Ps. 57,028 million compared to Ps. 49,755 million in 2024, a 14.6% increase, reflecting positive trends in our Swiss retail operations and B2C foodservice, which were supported by a relevant favorable impact from the appreciation of European currencies against the Mexican peso. As of December 31, 2025, the Proximity Europe Division network was comprised of 2,755 points of sale.

Cost of goods sold amounted to Ps. 33,778 million, compared to Ps. 28,412 million in 2024, a 18.9% increase. Gross margin was 40.8% of total revenues, showing a dilution of 210 basis points from 42.9% gross margin reported in 2024. As a result, gross profit amounted to Ps. 23,250 million in the consolidated period of 2025 compared with 2024, reflecting a reclassification of distribution expenses from selling expenses to cost of goods sold, partially offset by higher promotional income and changes to the operating model in our retail operations.

Administrative expenses increased 2.4% to Ps. 23,250 million in 2024, compared to Ps. 3,793 million in 2024. As a percentage of sales, administrative expenses amounted to 6.8% in 2025, compared to 7.6% in 2024 due to expense containment initiatives. Selling expenses amounted to Ps. 17,018 million compared to Ps. 15,748 million in 2024. As a percentage of sales, selling expenses amounted to 29.8% in 2025, from 31.7% in 2024. This decrease was explained by a reclassification of distribution expenses to cost of goods sold, coupled by higher operating leverage, effective expense control, and operational efficiencies.

## Health Division

Health Division total revenues increased 10.5% to Ps. 88,129 million compared to Ps. 79,755 million in 2024, reflecting growth in Chile, Ecuador and our retail business in Colombia; while Mexico remained under pressure primarily due to a lower store base compared to last year, following the closure of underperforming locations as part of our restructuring efforts. During 2025 same-store sales increased 8.0%, reflecting a strong performance in our retail stores in Colombia, coupled with positive results in Ecuador and Chile, offset by an underperformance of our stores in Mexico.

Cost of goods sold increased 15.4% to Ps. 64,275 million in 2025, compared with Ps. 55,714 million in 2024. Gross margin decreased 300 basis points to reach 27.1% of total revenues, which was mainly driven by a reclassification of distribution expenses from selling expenses to cost of goods sold. Mainly as a result of this reclassification, gross profit decreased 0.8% compared to 2024, reaching Ps. 23,853 million in 2025.

Administrative expenses decreased 43.5% to Ps. 2,455 million in 2025, compared with Ps. 4,348 million in 2024. As a percentage of sales, administrative expenses decreased to 2.8% in 2025 from 5.5% in 2024. This decrease reflects a reclassification of certain administrative expenses into selling expenses. Selling expenses increased 13.2% to Ps. 18,270 million in 2025 compared with Ps. 16,144 million in 2024. As a percentage of sales, selling expenses reached 20.7% in 2025, an increase of 50 basis points from 20.2% reached in 2024; mainly reflecting the reclassification of expenses previously explained. This increase also reflects a reclassification of certain administrative expenses into selling expenses. Operating expenses increased 1.3% to Ps. 20,826 million in 2025, compared with Ps. 20,557 million in 2024.



## Fuel Division

Fuel Division total revenues increased 2.8% to Ps. 67,195 million in 2025 compared to Ps. 65,365 million in 2024, reflecting robust same-station sales growth mostly driven by growth in volumes from our wholesale business. As of December 31, 2025, there were a total of 552 OXXO Gas service stations. The same-station sales increase of 6.9%, reflected a 0.8% increase in the average price per liter, coupled with a 6.0% increase in average volume.

Cost of goods sold increased 2.7% to Ps. 59,004 million in 2025, compared to Ps. 57,430 million in 2024. Gross margin increased 10 basis points to reach 12.2% of total revenues. This increase reflects revenue management initiatives, partially offset by lower per unit margins in the second half of the year. Gross profit increased 3.2% to Ps. 8,190 million in 2025 compared with 2024.

Administrative expenses decreased 15.8% to Ps. 290 million in 2025, compared to Ps. 343 million in 2024. As a percentage of sales, administrative expenses decreased 10 basis points to 0.4% in 2025 compared to 0.5% in 2024, reflecting ongoing efforts to operate with a leaner organization. The decrease in aggregate administrative expenses reflects the completion of a restructuring process and disciplined cost control to face voluntary industry-wide price commitments. Selling expenses increased 3.6% to Ps. 4,967 million in 2025 compared with Ps. 4,792 million in 2024. As a percentage of sales, selling expenses increased 10 basis points to 7.4% in 2025.

## RECENT EVENTS

On January 27, 2025, FEMSA announced that Daniel Belaúnde, CEO of the Health Division for nearly a decade, decided to close his professional cycle at FEMSA. This was mutually agreed, and we support his decision. Daniel was key in the growth and positioning of the division, guiding the team to distinguish itself as innovative, resilient, high quality, and with a diverse and inclusive approach. Concurrently, Jacobo Caller, current CEO of the Multiformat Division, will assume the role of CEO of the Health Division and will continue to report to José Antonio Fernández Garza, CEO of FEMSA Proximity and Health. Jacobo has more than 35 years of experience in the retail industry globally, including the pharmacy sector. Since his arrival at FEMSA Proximity & Health, Jacobo has stood out for being a leader with a clear strategic vision, disciplined execution capabilities oriented towards results, and embracing a role as ambassador of our FEMSA culture. In turn, Jaime Longoria, current CEO of OXXO Gas, will assume leadership of the Multiformat Division, reporting directly to José Antonio Fernández Garza, CEO of FEMSA Proximity and Health. Jaime has more than 25 years of experience at FEMSA, standing out for his extensive experience in multiple roles, most recently as CEO

of OXXO Gas, where he distinguished himself for the excellent results of the business, and always living the cultural values of FEMSA. For his part, David González, current OXXO GAS Network Director, has been appointed CEO of OXXO GAS and will report to Constantino Spas, CEO of the Americas and Mobility Division. David has more than 12 years of experience within FEMSA, Coca-Cola FEMSA and PTM (our recently divested plastics business).

## FEMSA Announces Accelerated Share Repurchase Agreement

On May 19, 2025, FEMSA announced that, as part of its ongoing efforts and consistent with its capital allocation framework and commitment to enhance capital returns to shareholders, it had entered into a derivative instrument known as an accelerated share repurchase (“ASR”) agreement with a financial institution in the United States of America to repurchase Company’s shares through the acquisition of American Depositary Shares (“ADS”). Under the terms of the ASR agreement, FEMSA agreed to repurchase from such financial institution an aggregate amount of USD \$250 million of its ADS. The ASR contemplated an initial delivery of 483,559 FEMSA ADSs on May 20, 2025. The total number of shares ultimately repurchased under the ASR agreement was based on the daily volume-weighted average price of the Company’s ADS during the term of the agreement, less a discount. The ASR was completed with the final delivery of shares received on July 21 and 22. The Company repurchased a total of 2,439,936 ADSs at an average price of USD \$102.46 per ADR, for a total amount of USD \$250 million.

## FEMSA completes divestiture of certain of its logistics operations to TRAXIÓN

On July 1, 2025, FEMSA announced the closing of its divestiture, previously announced on October 10, 2024, of certain of its logistics operations doing business as Solistica, to Grupo Traxión, S.A.B. de C.V. (BMV: TRAXIONA), a transportation and logistics company based in Mexico. The transaction includes FEMSA’s transportation management operations in Mexico, as well as its contract logistics operations in Mexico, Colombia, and Brazil. The transaction does not include FEMSA’s LTL (less than-truckload) operations in Brazil. Total consideration for this transaction was \$4,040 million Mexican pesos, on a cash-free, debt-free basis.

## BradyPLUS and Imperial Dade to merge

On August 11 of 2025, FEMSA informed that BradyPLUS and Imperial Dade have announced that they have entered into a definitive agreement to combine their companies via an all-equity merger transaction. BradyPLUS is a provider of janitorial and sanitation, foodservice,



and industrial packaging products and solutions in the United States. FEMSA currently owns a minority stake of BradyPLUS. Imperial Dade is a distributor of foodservice packaging, commercial cleaning supplies, janitorial equipment, and industrial packaging in the United States. FEMSA supported the transaction, which we expect will expand the combined company's geographic reach, enhance its ability to serve its customers, and generate synergies. FEMSA will remain invested in the combined company with approximately 19% and will have representation on its board. The transaction is subject to customary regulatory approvals.

### **FEMSA to control 100% of OXXO Brazil**

On September 4 of 2025, FEMSA entered into definitive agreements with Raízen, S.A. ("Raízen") to amicably terminate our joint venture in Brazil known as "Grupo Nós" that includes OXXO proximity stores and Shell Select convenience stores, allowing both companies to focus on their respective business' strategies. Under the terms of the agreement, FEMSA will retain all the OXXO stores in Brazil, as well as the distribution center located in Cajamar, São Paulo, while Raízen will retain all the Shell Select convenience stores. Completion of the separation of the OXXO stores and the Shell Select convenience stores is subject to regulatory approvals and other customary conditions and is expected to close in the coming months.

### **FEMSA Announces Senior Leadership Succession Plan**

On September 17 of 2025, FEMSA announced that based on our senior leadership succession planning process, and consistent with the plan detailed on FEMSA's Fourth Quarter and Full Year 2024 earnings press release dated February 27, 2025, our Board of Directors has appointed Jose Antonio Fernández Garza-Lagüera, currently CEO of FEMSA Proximity & Health, to become FEMSA's Chief Executive Officer effective as of November 1st, 2025.

### **Ricardo Guajardo Touché peacefully passed away**

FEMSA is saddened by the recent passing of Ricardo Guajardo Touché, a distinguished member of Coca Cola FEMSA's Board Of Directors and a valued part of the Coca-Cola FEMSA and FEMSA's family. Mr. Guajardo served for years as a trusted voice on various FEMSA governance bodies. His leadership, wisdom, and unwavering commitment were instrumental in guiding FEMSA and Coca-Cola FEMSA through key moments of growth and transformation.

### **FEMSA intensifies its support for communities affected by rains in four states**

FEMSA extends its condolences and support to our teams', their families, and all the communities affected by the floods occurred during the month of October in central and Northeast Mexico. In line with our principles and protocols, FEMSA has mobilized efforts to support the communities, and aid in the recovery of the region. A part of this, FEMSA coordinated with local authorities to provide humanitarian relief, including donations of water, food, and essential supplies to the most impacted areas. These efforts underscore the FEMSA's dedication to supporting the broader community, including support to our own employees and their families. FEMSA remains committed to long-term recovery and resilience in the region.

### **FEMSA Announces Accelerated Share Repurchase Agreement**

On December 2 of 2025, FEMSA announced that, as part of its ongoing efforts and consistent with its capital allocation framework and commitment to enhance capital returns to shareholders, it has entered into a derivative instrument known as an accelerated share repurchase ("ASR") agreement with a financial institution in the United States of America to repurchase Company's shares through the acquisition of American Depositary Shares ("ADS"). Under the terms of the ASR agreement, FEMSA has agreed to repurchase from such financial institution an aggregate amount of USD \$260 million of its ADS. The ASR contemplates an initial delivery of 540,035 ADSs on December 3, 2025. The total number of shares ultimately repurchased under the ASR agreement will be based on the daily volume-weighted average price of the Company's ADS during the term of the agreement, less a discount. The final settlement of the ASR agreement is expected to be completed, at the latest, in the first quarter of 2026.