

KOF (Buy, PT \$114.00)

Flash: Will propose an attractive dividend with a 5.4% yield

Coca-Cola FEMSA (KOF) has announced that it will propose an ordinary dividend distribution of MXN 10.588 billion, which has to be approved at the next Annual Shareholder Meeting, to be held on March 19. This is equivalent to a MXN 5.04 benefit per linked unit (which is in line with our estimate) and an annual payout 3.7% higher than that corresponding to 2020. It is worth noting that this dividend represents a yield of 5.4% over current prices, which we believe is very attractive.

Neutral implication: While this distribution is equivalent to an increase over the last year and even higher than previous periods, the proposal, subject to approval, is in line with our estimate of MXN 5.01, therefore the news should not have a major effect on share price. However, it is important to note that the yield per KOF UBL unit is interesting.

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Certification of Analysts.

We, Gabriel Casillas Olivera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Tania Abdul Massih Jacobo, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Valentin III Mendoza Balderas, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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Guide for investment recommendations.

	Reference
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HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

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History of PT and ratings

Stock	Date	Rating	PT
KOF UBL	18/12/2020	Buy	\$114.00
KOF UBL	27/07/2020	Buy	\$116.00
KOF UBL	14/11/2019	Buy	\$129.00

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