# PEOPLE-DRIVEN DIGITAL BOTTLER

Arturo Gutiérrez
CEO Arca Continental

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**129 YEARS OF** Topo Chico

**STRONG PARTNERSHIP WITH TCCC SINCE 1926** Coca-Cola

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# ARCA CONTINENTAL TODAY

**45** — MANUFACTURING FACILITIES

**70K** — ASSOCIATES

**>1.6M** — OUTLETS

**128M** — CONSUMERS

**2.5B**
Unit cases
Volume

**214B**
MXN
Revenues

**42B**
MXN
EBITDA

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# SUSTAINING ONE OF THE HIGHEST PROFITABILITY LEVELS AMONG THE GLOBAL TCCC SYSTEM

**3.5x**
Revenues
2023 vs 2013

**Revenues**
MXN B

**CAGR**
13.5%

- 2013: 60
- 2015: 76
- 2017: 139
- 2019: 163
- 2021: 183
- 2023: 214

**19.8%**
EBITDA Margin
2023

**EBITDA**
MXN B

**CAGR**
12.7%

- 2013: 13
- 2015: 17
- 2017: 26
- 2019: 30
- 2021: 35
- 2023: 42

Consolidated results

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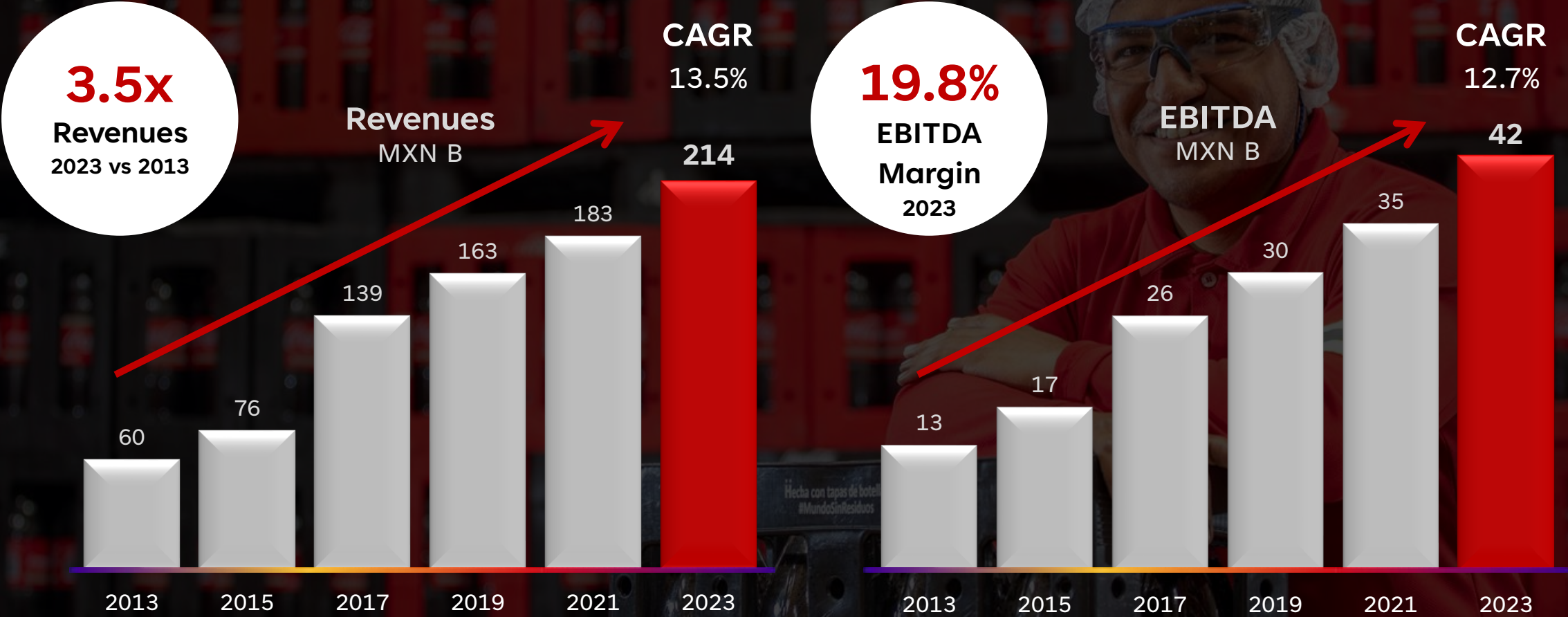
# 2023 WAS A YEAR FOR THE RECORD BOOKS IN MEXICO WITH STRONG VOLUME PERFORMANCE

**+4.7%**
NARTD GROWTH

**+3.9%**
SSDs GROWTH

**+10.4%**
STILLS GROWTH

**+7.1%**
WATER[1] GROWTH

**+3.4%**
779
NARTD PER CAPITA

1) Excluding jug water

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# ACT: OUR COMMERCIAL STRATEGY

- Segmentation
- Categories
- Profit Growth Management
- Picture of Success
- Go To Market
- Monitoring

- Fundamentals
- Management Indicators
- Business Indicators

- Culture & Training
- Commercial Assets
- Digital Enablers
- Intelligence Center

- Planet
- Quality
- Safety

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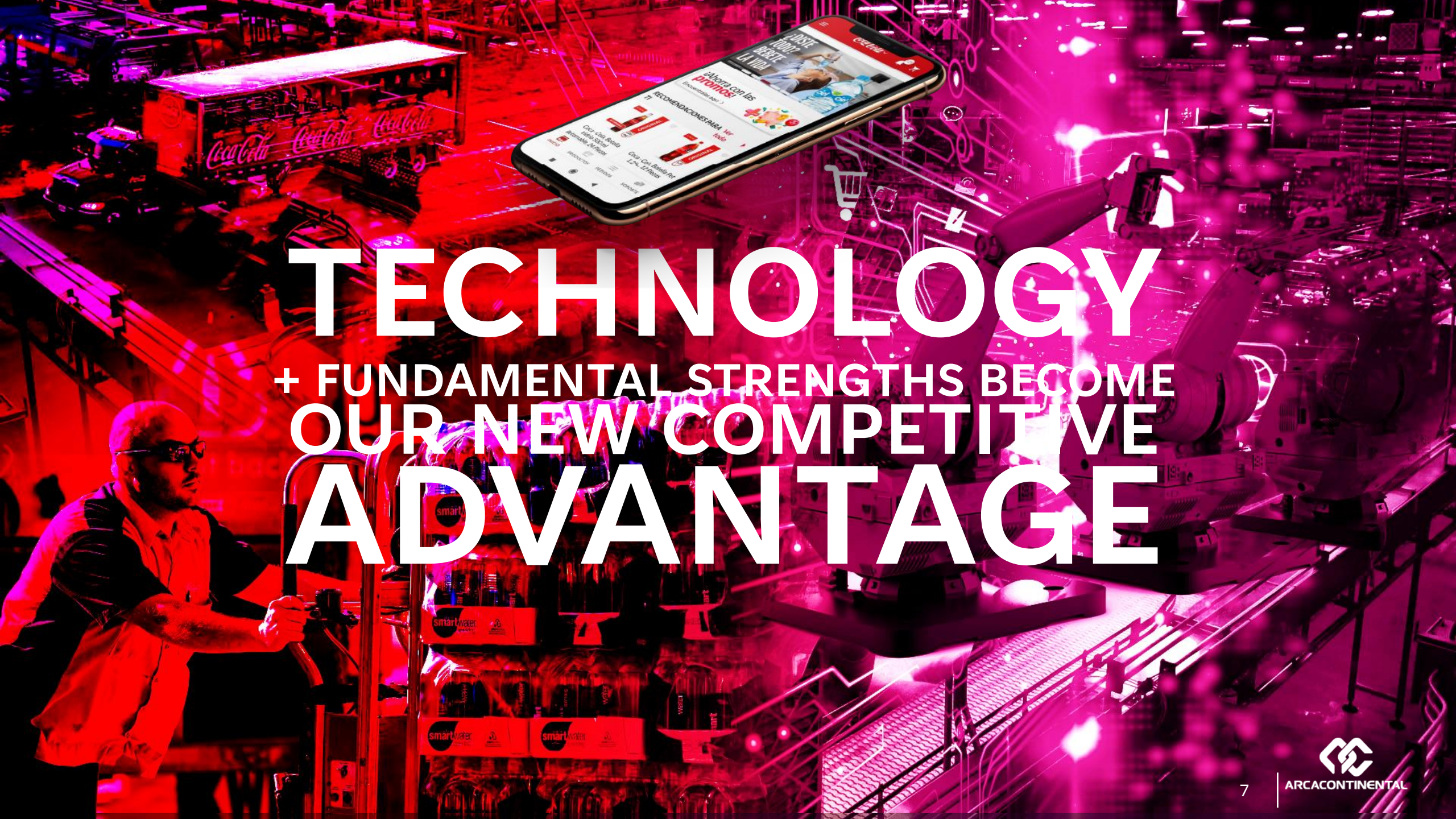
# TECHNOLOGY

**+ FUNDAMENTAL STRENGTHS BECOME**

## OUR NEW COMPETITIVE

# ADVANTAGE

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# DIGITAL ECOSYSTEM

Evolving and scaling our **Digital Ecosystem, focusing on three key objectives**

1. Protect and enhance the core business

2. Maintain our position as the most important partner for our customers

3. Create new monetization opportunities



- Omnichannel
- AI and Gen AI Models
- Loyalty Program
- Customer Experience
- Multicategory
- Digital and Financial Products

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# AC DIGITAL

Seamless digital & physical experiences for our customers

- **93% registered** customers in LATAM

- **67%** are **active users**

- **>60% of the volume in traditional trade** comes through the app

- **Significant positive** swing between digitized vs non-digitized customers

# CUSTOMER DNA IDENTIFYING SALES POTENTIAL

Transitioning from segmentation to personalization

- Identify **portfolio and execution opportunities** for each customer

- By leveraging **customer geolocation, over 600 variables** are collected

- Used in the following use cases to optimize commercial resources, enhancing performance among customers with high sales potential vs low:

  – Cooler Placement: **~9.8pp volume swing**

  – Promotions: **double-digit volume swing**

  – Product launch: **12pp repurchase swing**

Segmentation

Hospital

Gym

School

Park

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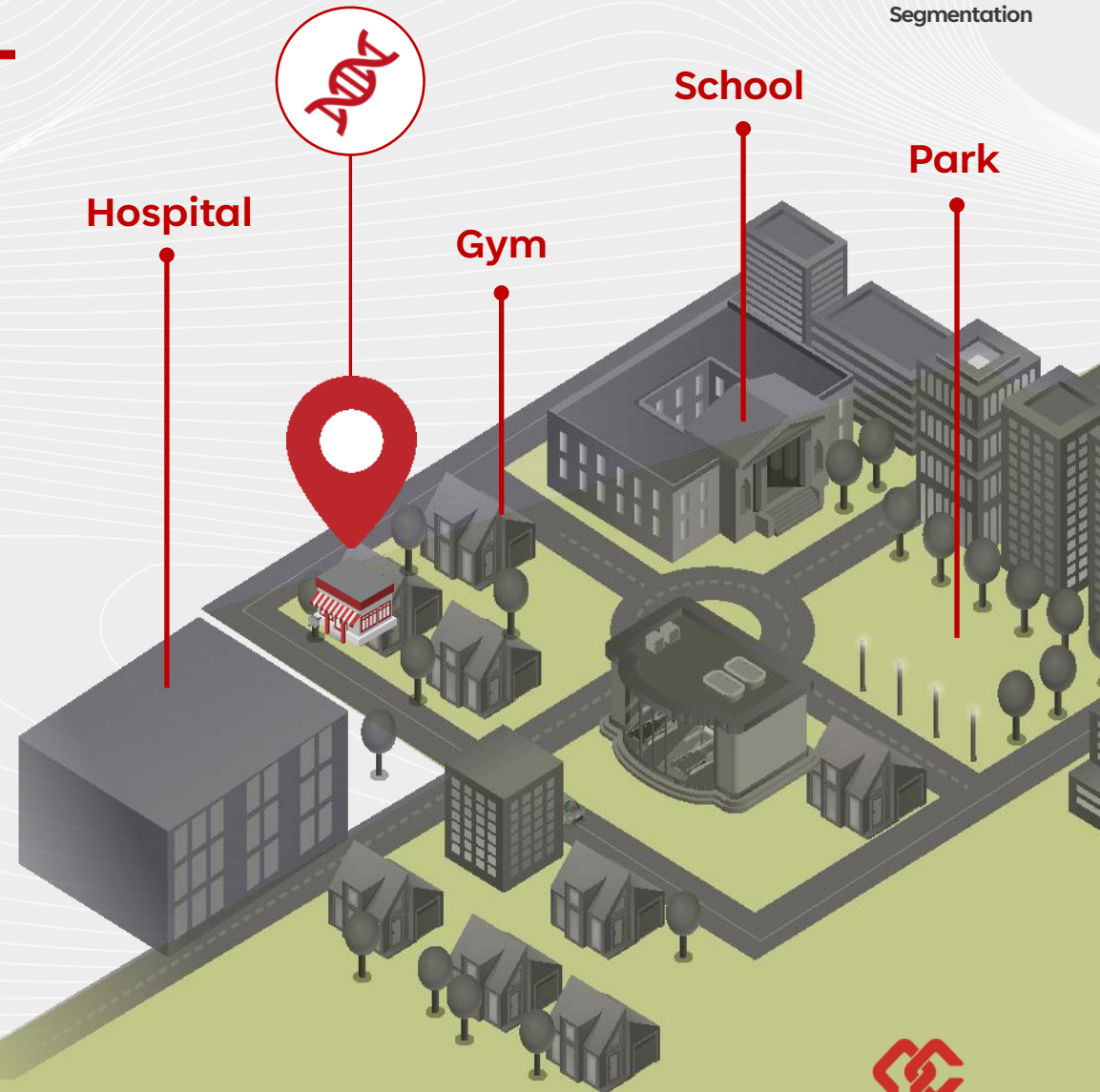
# COMPETITIVE PRICING STRATEGY TOOL


Profit Growth Management

An econometric, optimizer and automated pricing tool using machine learning to optimize business objectives

- Proof of **collaboration** with *The Coca-Cola Company*

- Pioneers in the system's **most advanced tool** for pricing

- Generates **optimal solutions** by iterating through approximately 350K scenarios

- **Reduces time for the price change process** ~50%, allowing the team to focus on analysis

- Preliminary results:
  - **2-3%** incremental volume
  - **~4%** incremental profit

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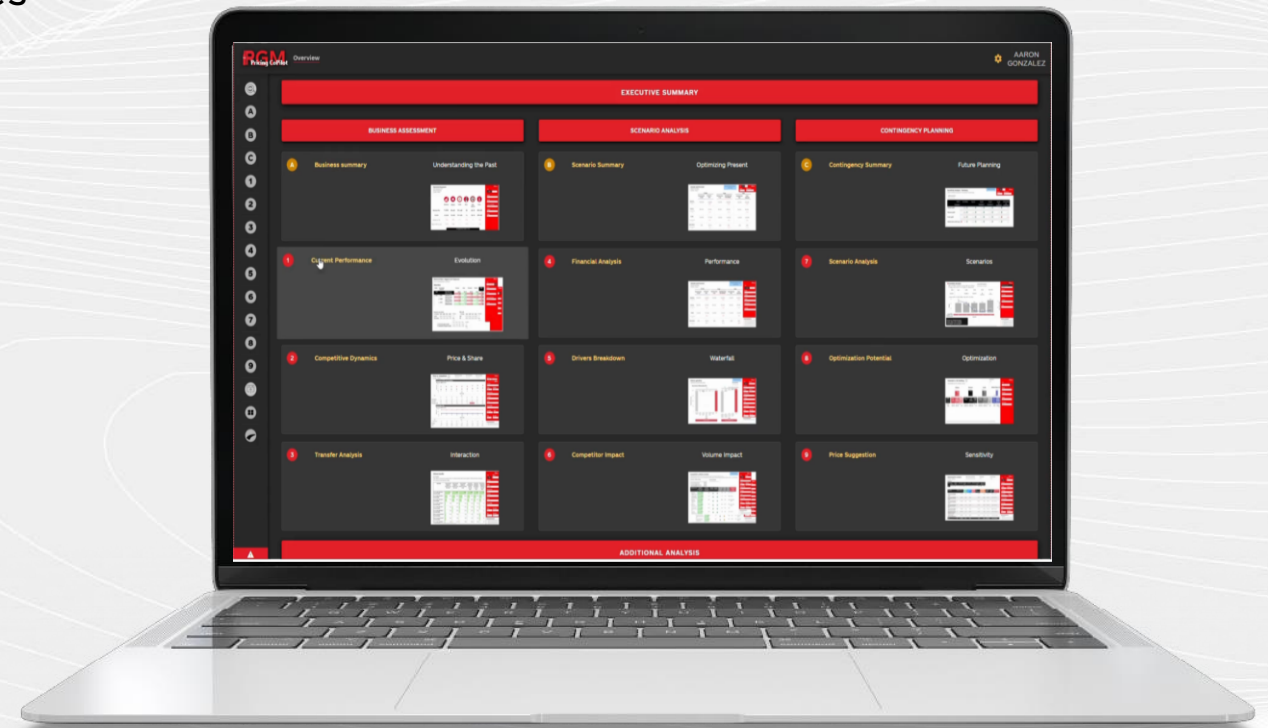
# SUGGESTED ORDER

Expanding the breadth and depth of our portfolio using AI models

- **Developed internally**, the model:
  - Delivers **a 1.1pp volume uplift** by reducing out-of-stocks by 60% and capturing sales potential
  - Recommends **"Next Best SKUs"**, contributing to a **15% increase in availability** of new SKUs

- **AC Móvil and AC Digital integration** are enhancing decision making in both sales force and customers

- **Integration and synchronization** at every customer touchpoint and with frontline associates



Profit Growth Management

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# GEN AI – SALES FORCE OPTIMIZATION USE CASE

Enhancing adherence through scalable personalization

- **Collaborating** with *The Coca-Cola Company*

- Leveraging Open AI's partnership  ChatGPT

- Creating a text with a **customized value dialogue**

- Increasing click-through rate and conversion by **double-digits**
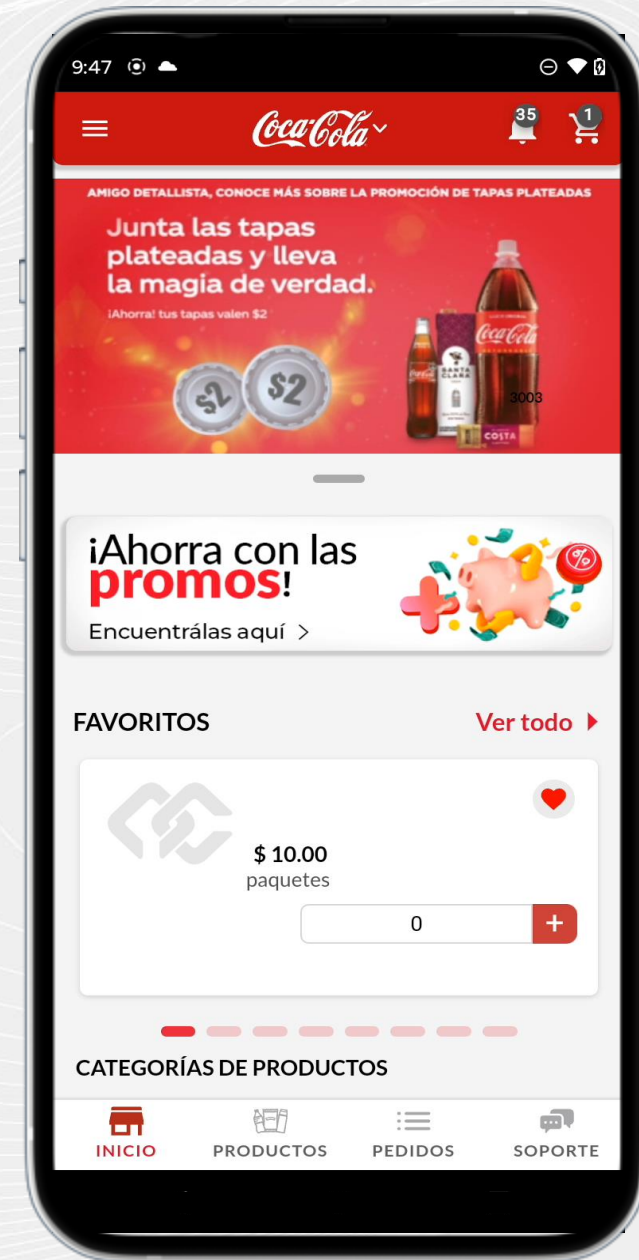
- Starting expansion in **2Q24**

# IMAGE RECOGNITION

Elevating execution by identifying customer opportunities

- Employing **image recognition and computer vision** for market-scale monitoring

- Monitoring **+110K customers (22%) in 2023**

- Translating opportunities **into immediate actions** by our frontline associates

- Continuously monitoring outlets to increase **RED Score by 1.9pp** and **volume by 1.9pp**

- Demonstrating a **0.94 correlation** between SOVI and market share
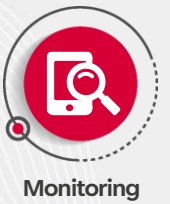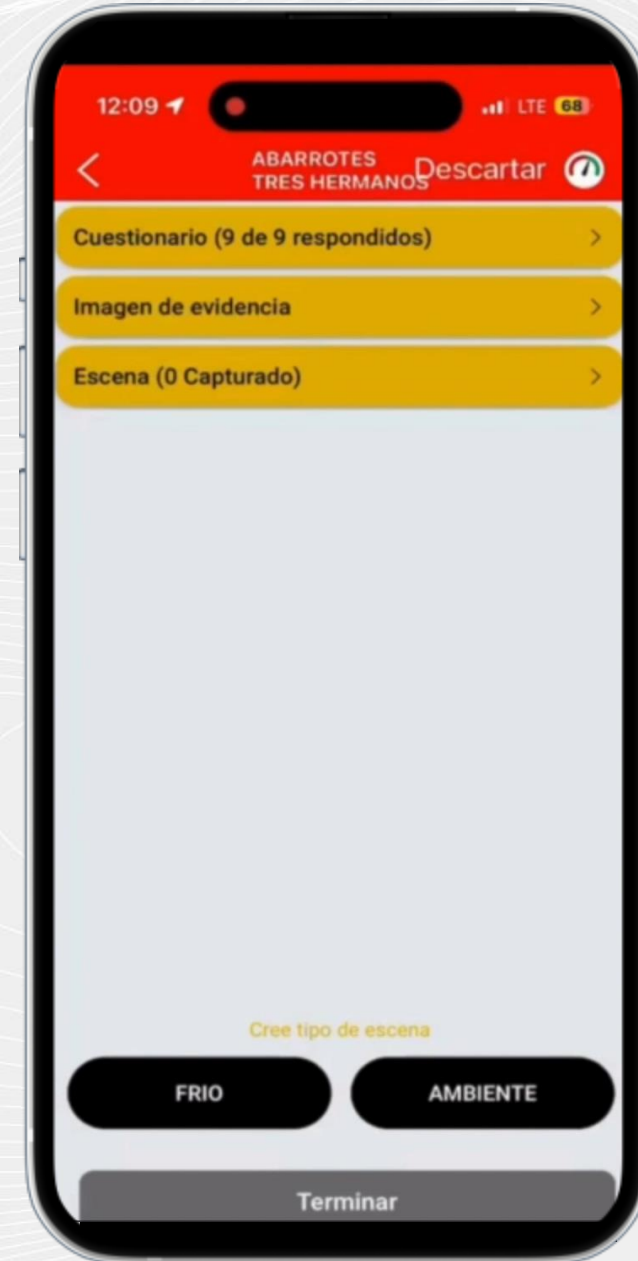
# yomp!

Digitizing the traditional channel through the Digital Alliance in the LTRM



- **+19K** customers using the store management platform

- **115** available services

- **5.8M** monthly transactions

- **Yomp! Explorer:**
  - Market share
  - Combined coverage
  - Regional and outlet actions plans

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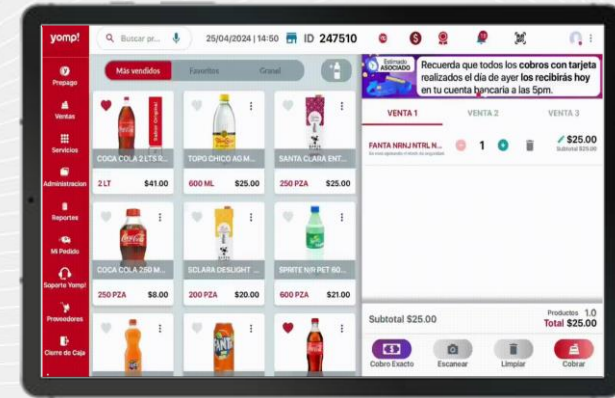
# KEY TAKEAWAYS

1. We thrive within large and attractive markets in a dynamic beverage industry and remain encouraged by the long runway for growth.

2. We will maximize our connection and trust-based relationship with customers by leveraging technology to better serve them and further strengthen our competitive advantage.

3. Our collaborative relationship with TCCC has never been stronger, fueled by a mutual commitment to drive value growth.

4. We have a clear roadmap for growth, emphasizing innovation and strategic investments aimed at optimizing operational efficiency and execution.

5. We strive to lead the way as one of the most technologically advanced bottlers within the TCCC system.

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