Consumer post 3Q26: Gradually improving

MX Equity Research

November 6, 2026 | Earnings Review

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We are updating our estimates post 3Q26 results

Across our coverage, Consumer companies were expected to post some of the lowest growth rates vs. other industries, yet margins turned out to be somewhat resilient. Overall, most sales growth outperformed our estimates (median growth of 2% vs. our 1% estimate), despite FX headwinds for some companies and a soft consumer environment across the whole sector. Meanwhile, margins were fairly resilient (median growth of 1%), as most companies continue to navigate a series of headwinds faced throughout the year, mainly labor costs, FX (for some companies), weaker operating leverage, and excise taxes. For the full year, we expect KOF, FEMSA, Kimberly-Clark de México, Bimbo, and Chedraui as the only companies with potential to expand margins. **All in, given the fairly resilient performance, albeit with still muted growth prospects ahead, we raise our PTs by c.3-4% (median and average);** we highlight our PT increases in Alsea and TBBB, both rated Outperform and with a better-than-industry outlook, in our view.

For the remainder of the year, we continue to see downside potential vs. FY26 guidance, while Bimbo was the only company raising its guidance, for a third consecutive quarter. **We continue to highlight Bimbo (Outperform, Top Pick), as one of the most resilient, diversified, and with growth and margin expansion opportunities ahead, despite the soft consumer conditions.** Within **Food & Bev,** we also highlight AC, KOF and FEMSA's 3Q26 results, although we remain Outperform only on the former, as we continue to be more positive on its share prospects, digital initiatives, margins and geographical opportunities. Gruma and Becle on the other hand posted lower-than-expected results.

In HPC, we continue to prefer Genomma Lab as we see margin upside ahead, while Kimberly-Clark de México is expected to continue posting within-target margins yet with downside potential amid FX conditions.

In Retail, consumer trade down is highly visible as TBBB continues to shine. On the other hand, most **Supermarkets** continue to struggle, and we downgrade Chedraui to Underperform (from Market Perform), as we raise our PT amid better-than-expected margins, yet muted growth is in our view a weight too heavy to prevent further upside ahead; on Walmex and La Comer we remain Market Perform. Within **Consumer Discretionary,** Alsea continues to be in our view the best option within the discretionary spectrum, while we remain cautious about Liverpool.

As we enter the final stretch of the year, companies are struggling with competition while preparing for further cost headwinds in labor, logistics, and raw materials and, as in previous Qs, we don't see all companies as healthily positioned if conditions improve. **Shopping season is ahead, but not everyone will gain share of consumers' budgets.**

Figure 1: Consumer coverage
(P$, 11/5/26)

	Rating				Price (P$)					EV/EBITDA (x)	
	New Rating	Previous Rating	New PT	Previous PT	Δ in PT	Current	Upside (%)	Div yld	Total (%)	Current	2026E
Food & Bev											
AC	**Outperform**	Outperform	**250**	242	3%	231	8%	5%	13%	9.2	8.6
KOF	**Market Perform**	Market Perform	**230**	222	4%	215	7%	4%	11%	8.3	6.7
FEMSA	**Market Perform**	Market Perform	**248**	238	4%	242	3%	4%	7%	7.1	6.9
CUERVO	**Market Perform**	Market Perform	**15**	16	-6%	14	9%	2%	11%	8.1	8.3
BIMBO	**Outperform**	Outperform	**80**	76	5%	70	15%	1%	16%	7.7	6.9
SIGMA	**Outperform**	Outperform	**23**	23	0%	21	12%	1%	13%	8.3	6.9
GRUMA	**Market Perform**	Market Perform	**266**	272	-2%	256	4%	2%	6%	5.6	5.2
Average					**1%**		**8%**		**11%**	**7.7**	**7.1**
Consumer - Health & Personal Care											
LAB	**Outperform**	Outperform	**17**	16	6%	15	13%	5%	18%	5.4	4.8
KIMBER	**Market Perform**	Market Perform	**41**	42	-2%	39	4%	6%	10%	8.5	8.2
Average					**2%**		**8%**		**14%**	**7.0**	**6.5**
Consumer - Supermarkets											
CHDRAUI	**Underperform**	Market Perform	**106**	97	9%	106	0%	1%	1%	6.2	5.7
TBBB (US$)	**Outperform**	Outperform	**72**	66	9%	64.2	12%	0%	12%	N/A	N/A
WALMEX	**Market Perform**	Market Perform	**55**	52	6%	54	3%	3%	6%	9.4	9.1
LACOMER	**Market Perform**	Market Perform	**33**	35	-6%	30	8%	0%	8%	5.7	5.4
Average					**5%**		**6%**		**7%**	**3.0**	**6.7**
Consumer - Consumer Discretionary											
ALSEA	**Outperform**	Outperform	**63**	56	13%	55	15%	0%	15%	4.9	3.0
LIVEPOL	**Underperform**	Underperform	**104**	103	1%	102	2%	3%	5%	5.1	4.4
Average					**7%**		**8%**		**10%**	**5.0**	**3.7**
Average Consumer					**4%**		**8%**		**10%**	**5.7**	**6.0**

Source: Company reports, Bloomberg, Actinver Research.

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Consumer 3Q26 Review: Results vs Estimates

Our covered **Food & Bev** companies posted mostly better-than-expected sales, while margins were mixed (more negative at the EBIT and net income levels, and better at the EBITDA level). Cuervo was the clear underperformer vs. both our estimates and consensus, reflected in a heavy stock underperformance post results. We also highlight that Gruma outperformed consensus, while we were more upbeat at the EBIT and EBITDA levels.

Figure 2: Food & Bev 3Q26 Results vs Actinver estimates and consensus*

3Q26	Revenues YoY growth	EBIT Margin	EBITDA Margin	NI Margin
	AC			
Actinver	Outperformed	Underperformed	In Line	Underperformed
Consensus	Outperformed	Underperformed	Underperformed	Underperformed
	KOF			
Actinver	Outperformed	Underperformed	Outperformed	Underperformed
Consensus	Outperformed	Outperformed	Outperformed	Underperformed
	FEMSA			
Actinver	Outperformed	Underperformed	Outperformed	Underperformed
Consensus	Outperformed	In Line	Outperformed	Underperformed
	CUERVO			
Actinver	Underperformed	Underperformed	Underperformed	Underperformed
Consensus	Underperformed	Underperformed	Underperformed	Underperformed
	BIMBO			
Actinver	Underperformed	Underperformed	Outperformed	Outperformed
Consensus	Underperformed	Outperformed	Outperformed	Outperformed
	SIGMA			
Actinver	Underperformed	Underperformed	Outperformed	Outperformed
Consensus	Outperformed	Outperformed	Outperformed	Outperformed
	GRUMA			
Actinver	Outperformed	Underperformed	Underperformed	Outperformed
Consensus	Outperformed	Outperformed	Outperformed	Outperformed

Source: Company reports, Bloomberg, Actinver Research. *We consider +/-0.55% and +/-13bps as benchmarks vs revenues and margin performance, respectively.

Within **Health & personal care,** Genomma Lab outperformed in terms of sales, yet underperformed at the EBIT and EBITDA levels, while Kimberly-Clark de México posted weaker-than-expected results across the board.

Figure 3: HPC 3Q26 Results vs Actinver estimates and consensus*

3Q26	Revenues YoY growth	EBIT Margin	EBITDA Margin	NI Margin
	LAB			
Actinver	Outperformed	Underperformed	Underperformed	Outperformed
Consensus	Outperformed	Underperformed	Underperformed	Outperformed
	KIMBER			
Actinver	Underperformed	Underperformed	Underperformed	Underperformed
Consensus	Underperformed	Underperformed	In Line	Underperformed

Source: Company reports, Bloomberg, Actinver Research. *We consider +/-0.55% and +/-13bps as benchmarks vs revenues and margin performance, respectively.

In **Retail,** La Comer was the main underperformer within **Supermarkets,** with TBBB a solid performer across the P&L vs. our estimates and consensus. Chedraui and Walmex meanwhile posted more mixed results. Within **Consumer Discretionary,** Alsea posted better-

than-expected sales vs. our estimates, while margins underperformed, and Liverpool posted underperforming sales vs. our estimates and consensus, while EBITDA margin outperformed.

Figure 4: Supermarkets 3Q26 Results vs Actinver estimates and consensus*

3Q26	Revenues YoY growth	EBIT Margin	EBITDA Margin	NI Margin
	CHDRAUI			
Actinver	In Line	Underperformed	In Line	Underperformed
Consensus	Underperformed	In Line	Outperformed	In Line
	LACOMER			
Actinver	Underperformed	Underperformed	Underperformed	Underperformed
Consensus	Underperformed	Underperformed	Underperformed	Underperformed
	WALMEX			
Actinver	Outperformed	Underperformed	Outperformed	Underperformed
Consensus	Underperformed	In Line	In Line	Underperformed
	TBBB			
Actinver	Outperformed	Underperformed	Outperformed	Outperformed
Consensus	Outperformed	Outperformed	Outperformed	Outperformed

Source: Company reports, Bloomberg, Actinver Research. *We consider +/-0.55% and +/-13bps as benchmarks vs revenues and margin performance, respectively.

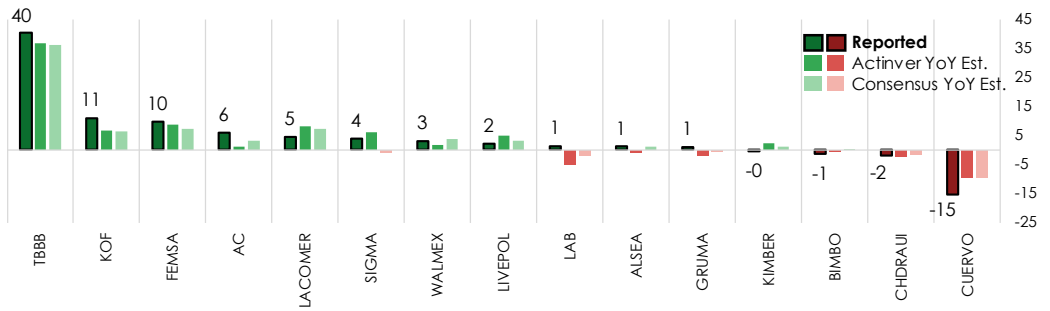
Figure 5: Consumer Discretionary 3Q26 Results vs Actinver estimates and consensus*

3Q26	Revenues YoY growth	EBIT Margin	EBITDA Margin	NI Margin
	ALSEA			
Actinver	Outperformed	Underperformed	Underperformed	In Line
Consensus	In Line	Outperformed	In Line	Underperformed
	LIVEPOL			
Actinver	Underperformed	Underperformed	Outperformed	Outperformed
Consensus	Underperformed	In Line	Outperformed	Underperformed

Source: Company reports, Bloomberg, Actinver Research. *We consider +/-0.55% and +/-13bps as benchmarks vs revenues and margin performance, respectively.

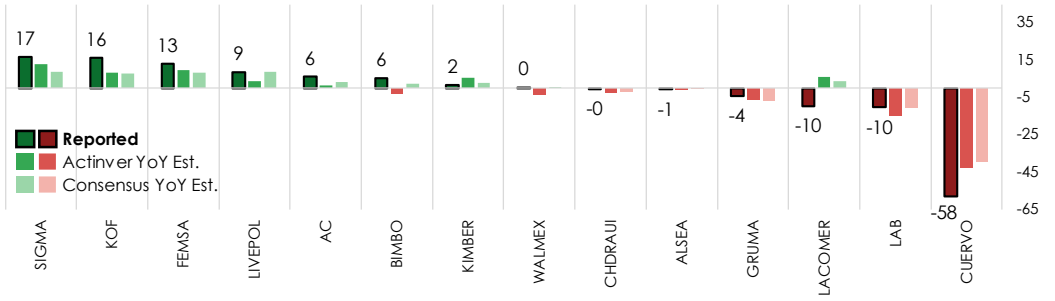
Overall, most sales growth outperformed our estimates, despite FX headwinds for some companies and a soft consumer environment across the whole sector. Meanwhile, margins were fairly resilient, as most companies continue to navigate a series of headwinds faced throughout the year, mainly labor costs, FX (for some companies), weaker operating leverage, and excise taxes. **For the full year, we expect KOF, FEMSA, Kimberly-Clark de México, Bimbo, and Chedraui as the only companies that we expect will expand margins.**

Figure 6: Revenues YoY growth vs Actinver and Consensus Estimates
(%, 3Q26)



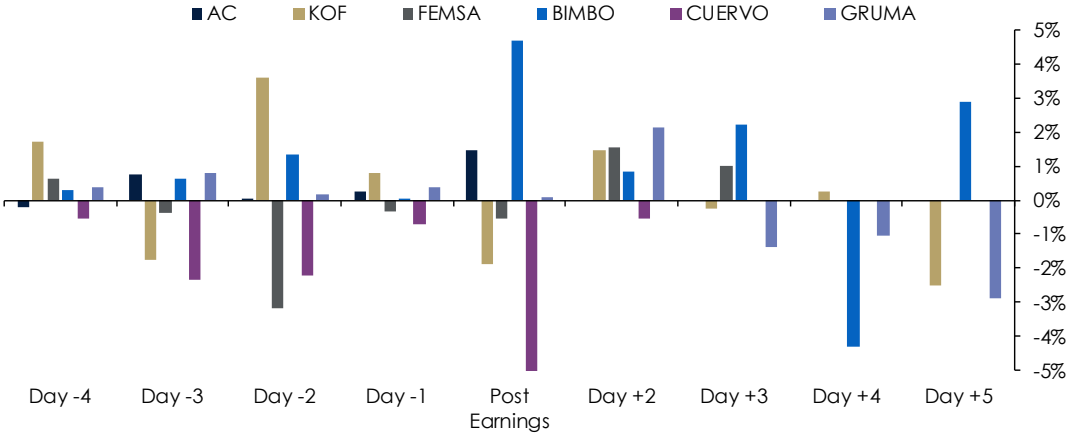
Source: Company reports, Actinver Research, Bloomberg.

Figure 7: EBITDA YoY growth vs Actinver and Consensus Estimates
(%, 3Q26)



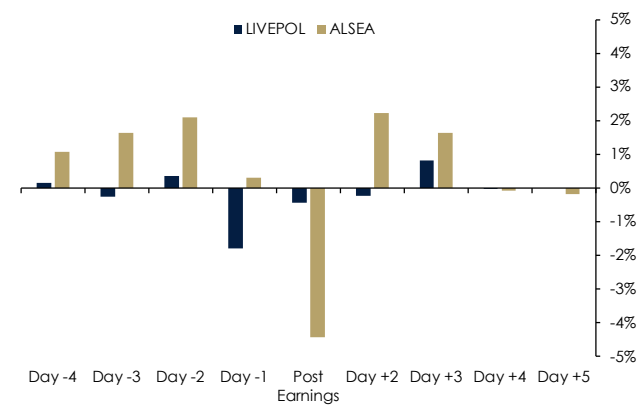
Source: Company reports, Actinver Research, Bloomberg.

Figure 8: F&B stock performance before and after reports
(%, 3Q26)



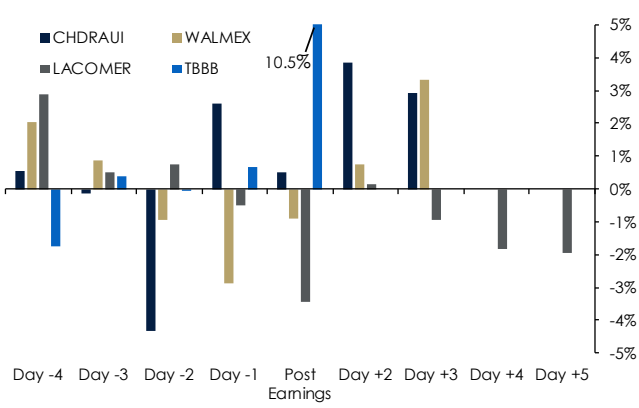
Source: Company reports, Actinver Research.

Figure 9: CD stock performance before and after reports
(%, 11/02/2026)



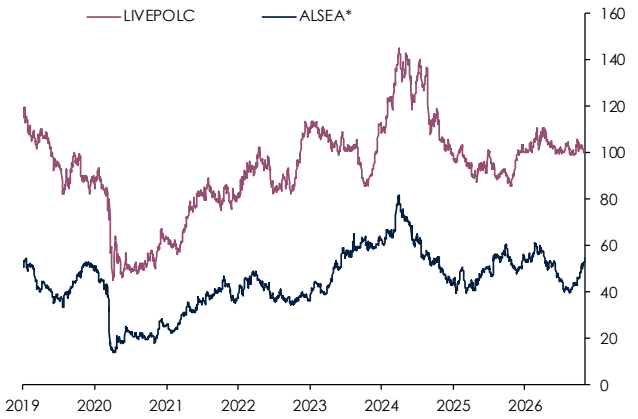
Source: Bloomberg, Actinver Research

Figure 10: SM stock performance before and after reports
(%, 11/02/2026)



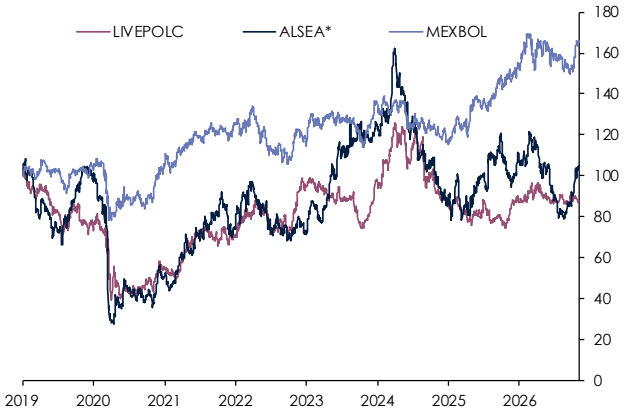
Source: Bloomberg, Actinver Research

Figure 11: Consumer Discretionary stock performance
(P$, 11/04/2026)



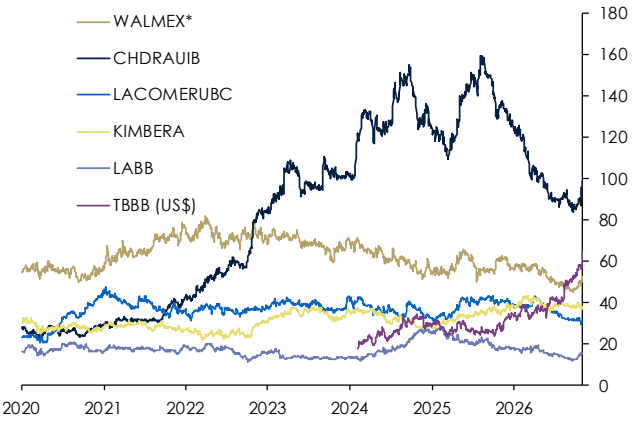
Source: Bloomberg, Actinver Research

Figure 12: CD relative stock performance
(Jan 19=100, 11/04/26)



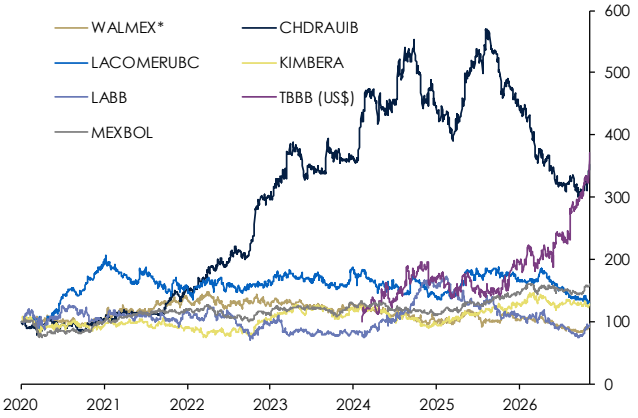
Source: Bloomberg, Actinver Research

Figure 13: Supermarkets & HPC stock performance
(P$, 11/04/2026)



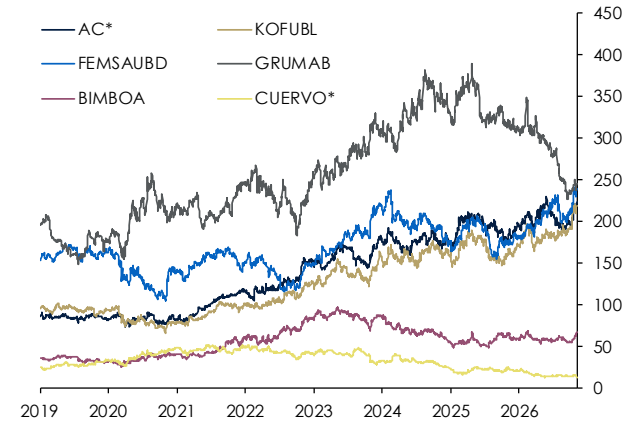
Source: Bloomberg, Actinver Research

Figure 14: SM stock performance before and after reports
(Jan 19=100, 11/04/26)



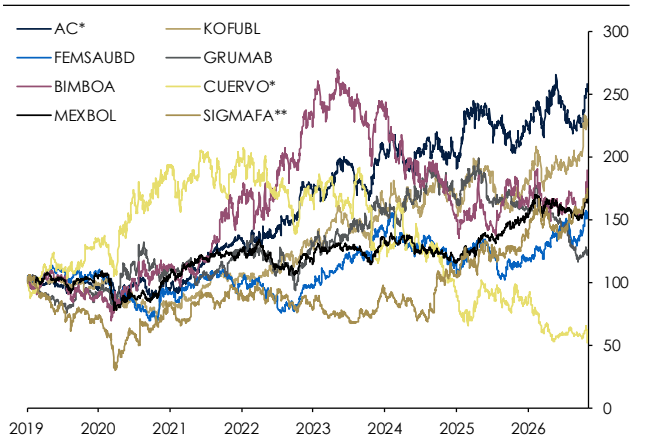
Source: Bloomberg, Actinver Research

Figure 15: F&B stock performance
(P$, 11/04/2026)



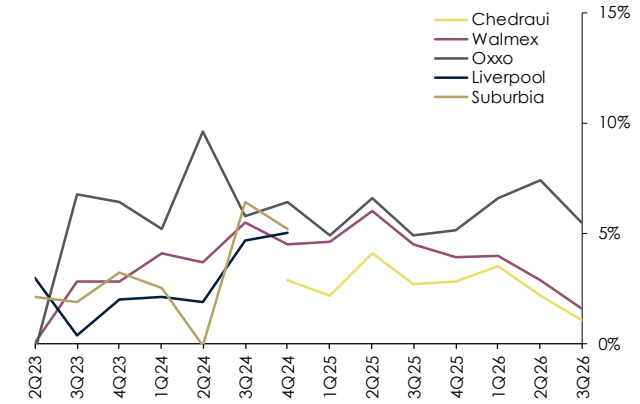
Source: Bloomberg, Actinver Research

Figure 16: F&B relative stock performance
(Jan 19=100, 11/04/26)



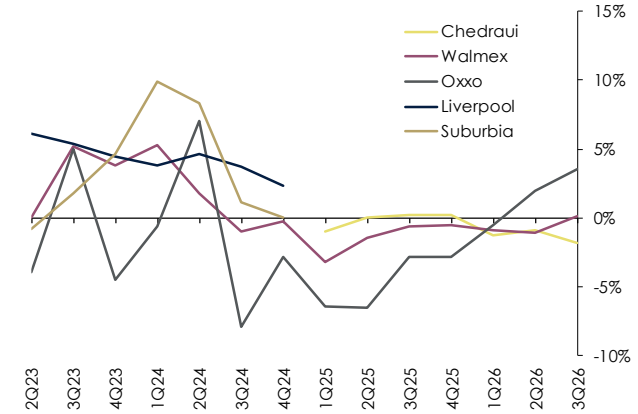
Source: Bloomberg, Actinver Research

Figure 17: Ticket Growth YoY
(%, 3Q26)



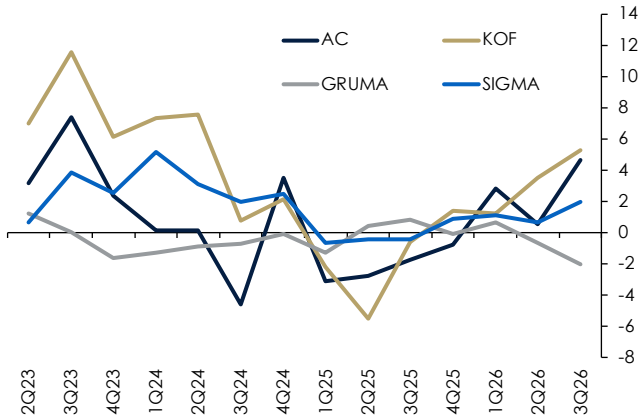
Source: Bloomberg, Actinver Research

Figure 18: Traffic Growth YoY
(%, 3Q26)



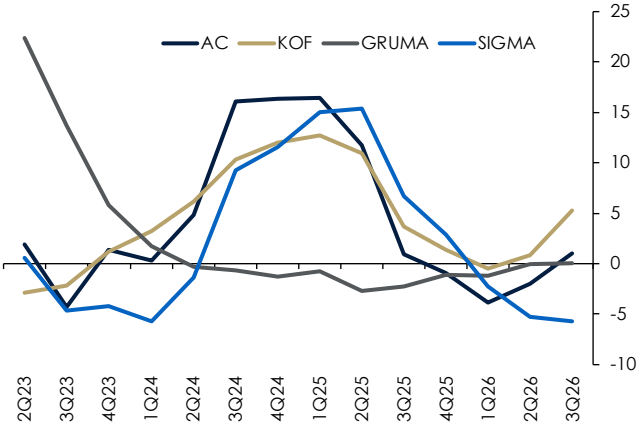
Source: Bloomberg, Actinver Research

Figure 19: Volume Growth YoY
(%, 3Q26)



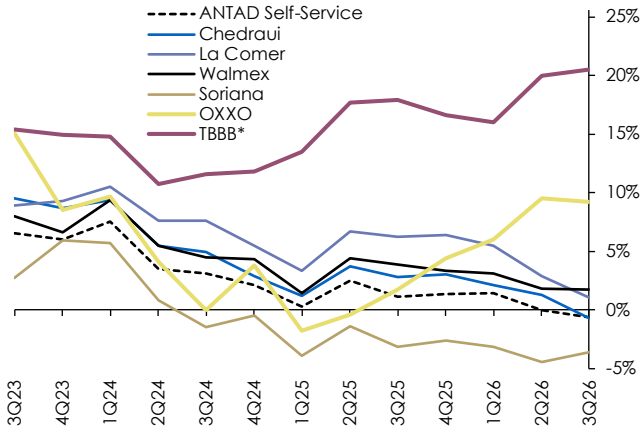
Source: Bloomberg, Actinver Research

Figure 20: Average Price Growth YoY
(%, 3Q26)



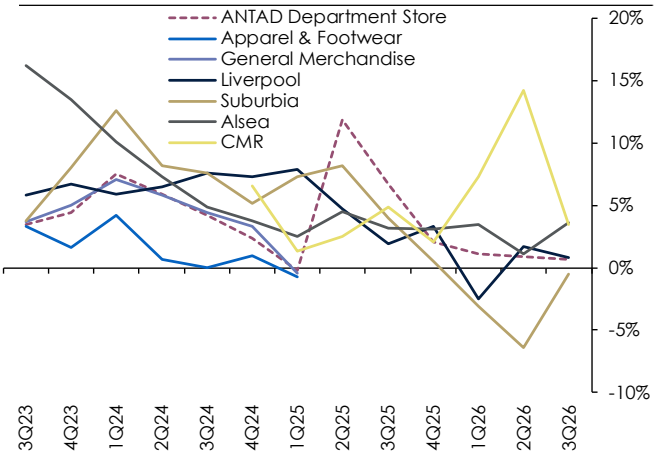
Source: Bloomberg, Actinver Research

Figure 21: Supermarkets SSS and ANTAD Self-Service
(%, 3Q26)



Source: Bloomberg, Actinver Research

Figure 22: Consumer Discretionary SSS and ANTAD Disc.
(%, 3Q26)



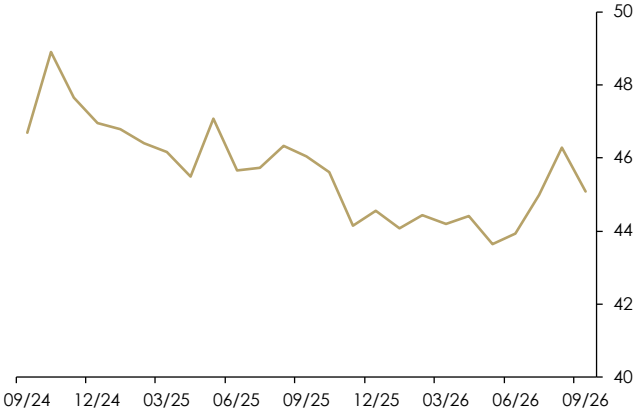
Source: Bloomberg, Actinver Research

Figure 23: US Consumer Confidence
(Pts, 10/31/2026)



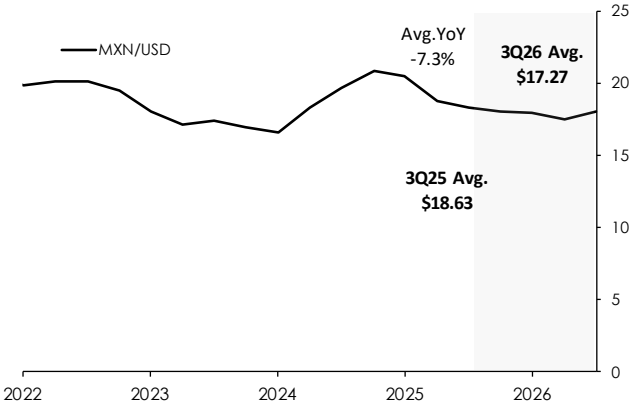
Source: Bloomberg, Actinver Research

Figure 24: MX Consumer Confidence
(Pts, 9/30/2026)



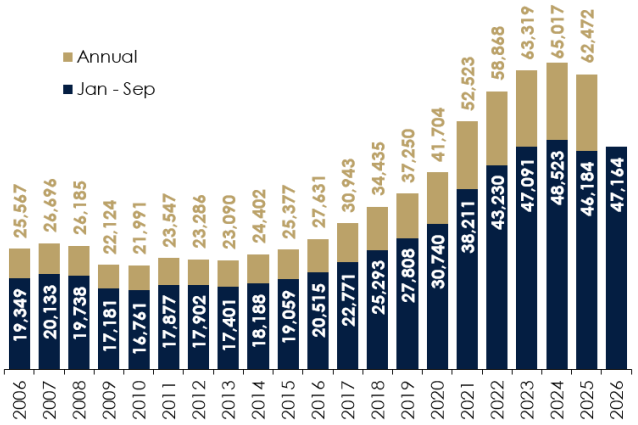
Source: Bloomberg, Actinver Research

Figure 25: FX rate
(P$, 3Q26)



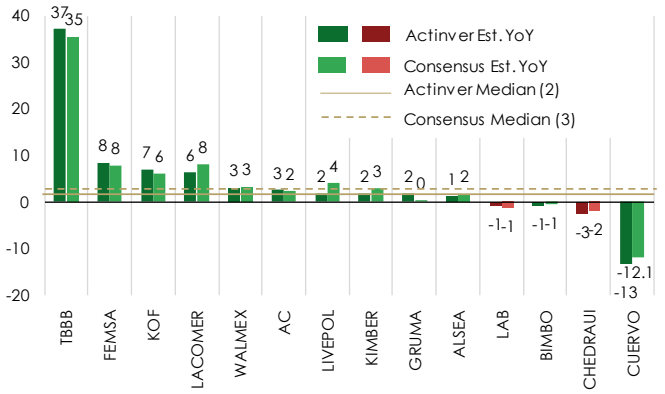
Source: Company reports, Actinver Research

Figure 26: US Remittances to Mexico
(US$ Mn, Sep-2026)



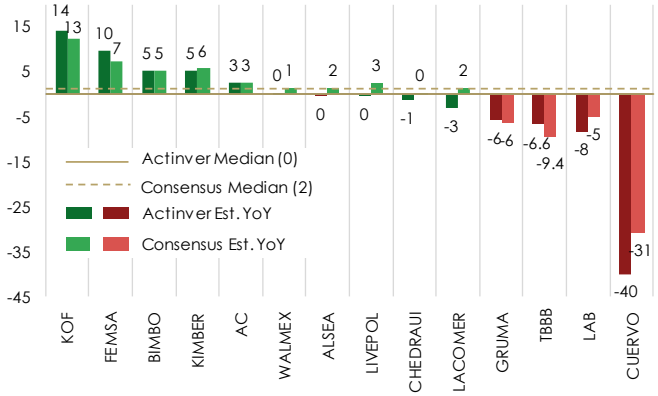
Source: Banco de México, Actinver Research.

Figure 27: Actinver and Consensus FY26 Revenues YoY Estimates
(%, 3Q26)



Source: Company reports, Actinver Research, Bloomberg.

Figure 28: Actinver vs Consensus FY26 EBITDA YoY Estimates
(%, 3Q26)



Source: Company reports, Actinver Research, Bloomberg.

Consumer Discretionary

Alsea post 3Q26: remain Outperform, PT up to P$63 (from P$56)

Sales grew 2% YoY on a pro format basis (accounting for recent divestments), and flattish YoY, driven by 4.2% SSS, both above our estimates. QSR grew 5.3%, coffee shops 4.4%, and Full-service 2.8% YoY, all better vs. 2Q26 figures. FX weighed on results as expected, as sales in local currency grew 5.6% YoY. The company highlighted progressive improvement throughout the quarter, along with positive traffic and strong commercial execution, with Starbucks Mexico a highlight.

Mexico posted sales growth of 5.9% YoY, above our estimates, supported by SSS growth of 3.6%; all segments posted 3-5% SSS growth. Margins contracted amid commercial activity and despite FX tailwinds on some inputs. Despite better operating leverage, Adj. EBITDA margin (post IFRS 16) contracted YoY, reaching 28.5%. **In Europe,** sales contracted 4.6% YoY (pro forma) amid FX headwinds, fairly in line with our estimates. Meanwhile, SSS grew 6.4% YoY, with Starbucks France a highlight in traffic and transactions, along with positive performance in Spain. Gross margin solidly expanded, while EBITDA margin was slightly lower YoY, amid Opex efficiencies and lower input costs. Meanwhile, **South America** posted a 1.1% growth in sales (pro forma, and above our estimates), supported by SSS of 8.2% YoY and despite challenging conditions in Chile, Argentina and Colombia. Weaker operating leverage led to an EBITDA margin contraction. On a reported basis, Europe and South America posted lower sales amid the company's divestments of Chili's and P.F. Chang's in Chile, and TGI Friday's in Spain in 2025, and Archie's in Colombia in 2026.

On a profitability level, margins were on average flattish YoY (on a post IFRS 16 basis). At the gross margin level, Alsea posted a 10bps YoY contraction, followed by a steeper 60bps YoY contraction at the EBITDA margin level, reaching 20.5%. Further down the P&L, however, the company was able to expand its net margin 80bps YoY to 2.5%, amid lower financing expenses.

Figure 29: Alsea 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 21,397**	**$ 20,982**	**2.0%**	**$ 21,146**	1.2%	**$ 21,092**	1.4%
Gross Profit	**$ 14,377**	**$ 14,138**	**1.7%**	**$ 14,230**	1.0%	**$ 14,151**	1.6%
Gross Margin	*67.2%*	*67.4%*	*(19 bps)*	*67.3%*	*(10 bps)*	*67.1%*	*10 bps*
Operating Profit	**$ 2,135**	**$ 2,135**	**0.0%**	**$ 1,996**	7.0%	**$ 2,101**	1.7%
Operating Margin	*10.0%*	*10.2%*	*(20 bps)*	*9.4%*	*54 bps*	*10.0%*	*2 bps*
EBITDA	**$ 4,396**	**$ 4,384**	**0.3%**	**$ 4,428**	**(0.7%)**	**$ 4,326**	1.6%
EBITDA Margin	*20.5%*	*20.9%*	*(35 bps)*	*20.9%*	*(39 bps)*	*20.5%*	*4 bps*
Majority Net Profit	**$ 545**	**$ 556**	**(2.1%)**	**$ 367**	48.4%	**$ 532**	2.5%
Majority Net margin	*2.5%*	*2.7%*	*(11 bps)*	*1.7%*	*81 bps*	*2.5%*	*3 bps*
EPS (maj.)	**$ 0.69**	**$ 0.70**	**(1.5%)**	**$ 0.46**	50.9%	**$ 0.67**	3.1%
Segment Sales							
Total MX Sales	**$ 12,150**	**$ 12,004**	**1.2%**	**$ 11,476**	5.9%	**$ 12,160**	**(0.1%)**
MX SSS YoY	**3.6%**	**3.0%**	*60 bps*	**3.2%**	*40 bps*	**1.1%**	*250 bps*
Total Europe Sales	**$ 6,079**	**$ 6,056**	**0.4%**	**$ 6,457**	**(5.9%)**	**$ 5,906**	2.9%
Europe SSS YoY	**3.5%**	**2.8%**	*70 bps*	**2.3%**	*120 bps*	**1.7%**	*180 bps*
Total South AM Sales	**$ 3,169**	**$ 2,921**	**8.5%**	**$ 3,213**	**(1.4%)**	**$ 3,025**	4.7%
South AM SSS YoY	**8.2%**	**8.1%**	*10 bps*	**11.3%**	*(310 bps)*	**11.0%**	*(280 bps)*

Source: Company reports, Actinver Research.

Conference call highlights are:

- **Management was upbeat on the consistent momentum in demand,** with sequential improvement in traffic, particularly in Starbucks Mexico. On this format, Mexican operations returned to positive performance after the 2Q26 -2% hiccup, with SSS of 4.4%, while growing in Europe 6.1% and in South America 7.6%. In Mexico, the recovery was broad across Mexico, with the Center region outperforming; to bring

back traffic to the store while protecting profitability remains a focus. Management attributes the improved performance to the company's focus on remodelings (85-100, to be finished in mid-November), marketing initiatives, and recent leadership changes, along with customers returning to their routines post World Cup. Additionally, the company commented that the brand has kept its market share throughout the last 3 years.

- **Domino's Pizza also grew solidly:** SSS grew 3.6%, led by Mexico at 4.8%, supported by the World Cup in July and new launches, while Spain and Colombia grew at around 2%. FSR meanwhile posted healthy SSS of 2.8%, with Chili's staying strong post World Cup (6.3%).
- **In Europe,** the company's plan to bring traffic back in France is paying off, with traffic now growing mid to high-single-digit. Recovery has been consistent since summer, though work remains. The recent riots affected 9 stores; only 2 have not reopened due to damage, and operations are mostly back to normal. Additionally, gross margin is improving on the back of pricing, better traffic, and mix.
- **Chipotle's 1st full quarter in Nuevo León** came in more than 100% above internal estimates. The company plans 3-4 more units in 1Q27, all in Monterrey, while planning to open the 1st Raising Cane's in the state.
- **Portfolio optimization:** Alsea may divest selected assets to focus on markets with the strongest long term value creation potential, following recent divestments. Meanwhile, multi-format concepts like Starbucks and Domino's Pizza add white space through smaller formats that need less investment and fewer transactions to recover it.
- **Digital sales reached 40.7% penetration,** with loyalty sales growing 9% YoY (28.1% of sales) with 9.1mn active users.
- Cash flow improved sharply, reaching P$955mn YTD, vs. negative cash flow of P$3bn in the same period last year. This was driven by working capital efficiencies, lower capex, lower interest expense after the refinancing, and lower taxes.
- **The company has been active on buybacks,** currently holding c.10mn shares, and having bought back P$500mn of the P$1.5bn authorized. The next authorization would be renewed at the April 2027 shareholders' meeting, and at current valuation levels the company expects to be active with the remainder.
- **FX and hedges:** c.30% of the food inputs are tied to USD commodities (cheese, coffee), partially covered with plain vanilla forwards. FY26 needs are 85% hedged at a P$18.5/USD strike, which is currently generating some losses, while FY27 is c.50% hedged at a strike below P$18.0/USD. **All in, internal inflation so far has been negative** (c.-2% in Europe, 0% in MX), better than initially expected.
- **Management expects a c.17% labor cost impact in Mexico in FY27:** 12% from the minimum wage increase and 5% from the 2-hour cut in weekly working hours. Mitigation has run c.6 months ahead of implementation since 2H26, and the same approach will cover 2H27, so no impact on Mexico's P&L is expected.
- **The company reiterated its FY26 guidance, with encouraging trends in recent months and weeks.** Still, management said it is too early to say the consumer is fully back, as consumption remains low, and energy costs in Europe and USD-linked commodities are downside risks. Pre IFRS 16 sales and SSS are thus expected to grow single digit. EBITDA growth (pre and post IFRS 16) is also expected to be at low single digit. Total openings of 180-220, Capex of c. P$5.5bn and debt/EBITDA of 2.6-2.8x pre IFRS16 and 3-3.2x post IFRS 16. All in, performance in Mexico is coming back, Europe is performing consistently, and some countries in South America are outperforming.

Changes in estimates and 2026E-27E Preview

We are slightly adjusting upward our FY26 and FY27 estimates, amid the strong quarterly performance. We now forecast 1.2% YoY sales growth, while forecasting flattish EBITDA YoY (vs. single-digit growth guidance). We are also slightly reducing our Capex estimate for the year, while continuing to forecast higher sales growth and margin expansion in FY27. **After raising most of our estimates, we raise our PT to P$63 (from P$56), while reiterating our Outperform rating. We continue to see Alsea as solidly positioned within the consumer discretionary spectrum, with most of its brands keeping or growing market share going forward.**

Figure 30: Alsea 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 85,705**	$ 85,064	***0.8%***	**$ 93,252**	$ 91,823	***1.6%***
Gross Profit	**$ 58,032**	$ 57,635	***0.7%***	**$ 63,329**	$ 62,519	***1.3%***
Gross Margin	*67.7%*	*67.8%*	*(9 bps)*	*67.9%*	*68.1%*	*(19 bps)*
Operating Profit	**$ 8,307**	$ 8,289	***0.2%***	**$ 9,199**	$ 9,323	***(1.3%)***
Operating Margin	*9.7%*	*9.7%*	*(1 bps)*	*9.9%*	*10.2%*	*(34 bps)*
EBITDA	**$ 18,001**	$ 17,943	***0.3%***	**$ 19,822**	$ 19,614	***1.1%***
EBITDA Margin	*21.0%*	*21.1%*	*(10 bps)*	*21.3%*	*21.4%*	*(14 bps)*
Majority Net Profit	**$ 1,882**	$ 1,840	***2.3%***	**$ 2,800**	$ 2,723	***2.8%***
Majority Net margin	*2.2%*	*2.2%*	*(0 bps)*	*3.0%*	*3.0%*	*0 bps*
EPS (maj.)	**$ 2.38**	$ 2.31	***3.1%***	**$ 3.54**	$ 3.42	***3.6%***
Segment Sales						
Total MX Sales	**$ 48,837**	$ 48,618	***0.5%***	**$ 52,489**	$ 52,114	***0.7%***
MX SSS YoY	**2.9%**	2.7%	***24 bps***	**4.1%**	4.2%	***(5 bps)***
Total Europe Sales	**$ 24,542**	$ 24,441	***0.4%***	**$ 27,653**	$ 27,154	***1.8%***
Europe SSS YoY	**3.0%**	2.8%	***25 bps***	**2.9%**	3.0%	***(8 bps)***
Total South AM Sales	**$ 12,325**	$ 12,004	***2.7%***	**$ 13,111**	$ 12,555	***4.4%***
South AM SSS YoY	**9.2%**	9.0%	***18 bps***	**9.3%**	9.8%	***(53 bps)***

Source: Company reports, Actinver Research.

Liverpool post 3Q26: remain Underperform, PT up to P$104 (from P$103)

Sales were below our estimates, growing 2.2% YoY. The company's main business, Retail, grew only 1.1%, while the Financial business and Real Estate segments grew 6.9% and 16.3%, respectively. Ticket growth didn't prevent lackluster SSS figures; the **Liverpool** format posted 1.5% YoY growth, with SSS only growing 0.8%, below our estimates. **Suburbia** posted flattish sales YoY, with SSS of -0.5% nonetheless above our more cautious estimates. For another quarter, traffic continued to lag ticket growth and Suburbia underperformed, while ANTAD department store and apparel & footwear were 0.8% and -1.4%, respectively. In the Financial business, as NPLs reached 5.2% (80bps higher YoY), the company is taking a more cautious approach on the business, and gross credit portfolio grew 8.8% YoY.

As sales growth remains weak, the company is prioritizing merchandise margins, while controlling expenses and improving sales mix within retail formats, and overall revenue mix amid the strong Real Estate performance. Margins expanded vs. our flattish estimates; EBITDA margin of 14.1% was 80bps higher YoY and above our more cautious estimates. We highlight retail gross margin expansion of 190bps, despite the weaker sales and supported by the aforementioned tailwinds, along with the strong MXN aiding imported purchases; additionally, inventory declined 5.1% YoY, in line with the company's strategy of improving inventory conditions vs. sales. While salary increases, bad debt provision, and weaker operating leverage impacted profitability, overall margins still closed better than expected and higher YoY amid the aforementioned strategies (e.g., expense control, inventory management, sales mix) and tailwinds (e.g., FX). At the bottom line, however, the company posted contracting and lower-than-expected margins, due to a lower contribution from Nordstrom and acquisition-related effects not reflected in the previous year.

Figure 31: Liverpool 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 49,115**	**$ 50,419**	**(2.6%)**	**$ 48,062**	2.2%	**$ 57,290**	**(14.3%)**
Gross Profit	**$ 21,045**	**$ 21,024**	**0.1%**	**$ 19,537**	7.7%	**$ 23,553**	**(10.6%)**
Gross Margin	*42.8%*	*41.7%*	*115 bps*	*40.6%*	*220 bps*	*41.1%*	*174 bps*
Operating Profit	**$ 5,318**	**$ 4,990**	**6.6%**	**$ 4,828**	10.1%	**$ 6,937**	**(23.3%)**
Operating Margin	*10.8%*	*9.9%*	*93 bps*	*10.0%*	*78 bps*	*12.1%*	*(128 bps)*
EBITDA	**$ 6,929**	**$ 6,624**	**4.6%**	**$ 6,386**	8.5%	**$ 8,522**	**(18.7%)**
EBITDA Margin	*14.1%*	*13.1%*	*97 bps*	*13.3%*	*82 bps*	*14.9%*	*(77 bps)*
Majority Net Profit	**$ 3,382**	**$ 3,166**	**6.8%**	**$ 3,953**	**(14.5%)**	**$ 5,119**	**(33.9%)**
Majority Net Margin	*6.9%*	*6.3%*	*61 bps*	*8.2%*	*(134 bps)*	*8.9%*	*(205 bps)*
EPS (maj.)	**$ 2.53**	**$ 2.37**	**6.8%**	**$ 2.95**	**(14.2%)**	**$ 3.83**	**(33.9%)**
Segment Sales							
Liverpool Boutiques & Oth.	**$ 35,921**	**$37,737**	**(4.8%)**	**$ 35,384**	1.5%	**$ 43,695**	**(17.8%)**
Liverpool SSS YoY	*0.8%*	*3.0%*	*(220 bps)*	*1.9%*	*(110 bps)*	*1.7%*	*(90 bps)*
Suburbia	**$ 5,216**	**$5,167**	**1.0%**	**$ 5,221**	**(0.1%)**	**$ 5,387**	**(3.2%)**
Suburbia SSS YoY	*(0.5%)*	*(1.5%)*	*100 bps*	*4.0%*	*(450 bps)*	*(6.4%)*	*590 bps*
Financial Business income	**$ 5,794**	**$6,018**	**(3.7%)**	**$ 5,422**	6.9%	**$ 6,028**	**(3.9%)**
Real Estate income	**$1,527**	**$1,497**	2.0%	**$1,313**	16.3%	**$1,385**	10.3%

Source: Company reports, Actinver Research.

Conference call highlights are:

- **A cautious consumer continued to weigh on retail sales**, with management prioritizing profitability over volume. Consumers remained highly promotion-driven, particularly in apparel and accessories, while hardlines and cosmetics performed relatively better. Management emphasized disciplined promotions, a healthier sales mix and tight expense control rather than pursuing growth through broad markdowns. From a regional perspective, the North Pacific region had lower results vs. the rest of the country, with the tourism industry lagging consumption in exposed

markets. Additionally, the company expects a gradual improvement in 2H26, supported by easier comps and the normalization of operational conditions.

- **Margin expansion was supported by commercial discipline, a favorable mix and FX tailwinds, although management does not expect the same pace of improvement on margins to persist.** Retail gross margin 190bps YoY expansion included an improvement of more than 300bps at Suburbia. The stronger MXN reduced imported merchandise costs, while lower inventories (-5.1% YoY consolidated; -22% at Suburbia) allowed for more selective promotions. Management highlighted that direct imports represent c.15% of Liverpool's inventory, rising to 60–65% when including imports sourced locally through vendors. However, FX benefits may vary (and could potentially reverse), and the company does not hedge its merchandise purchases, expecting structural costs to be passed through pricing over the long term. While management is not pleased about sales levels, profitability was highlighted.
- **Digital GMV** grew 8.7% YoY and reached a share of 30.3% in Liverpool and 7.4% in Suburbia. The company continues to migrate its e-commerce architecture, with residual impacts of this transition impacting growth, yet improving performance is expected ahead. Shares of Click & Collect, deliveries in less than 48 hours, and direct deliveries from store declined YoY.
- **Credit quality remains a key focus, as NPLs approach pre-pandemic levels and the company considers that consumers are more leveraged vs. pre-pandemic levels.** Financial Services revenue increased 6.9% to P$5.8bn, supported by an 8.8% growth in the gross loan portfolio and a 7.3% increase in active cardholders to nearly 9mn. However, growth moderated from the double-digit rates recorded in 1H26 amid softer retail activity, more normalized growth in complementary credit products and tighter underwriting for higher-risk products, particularly personal loans and cash advances. The NPL ratio reached 5.2%, up 80bps YoY, reflecting pressure on consumers' repayment capacity. The company expects to stabilize NPLs at some point next year, supported by more selective origination across both Liverpool and Suburbia, the latter having higher NPLs. Credit-loss provisions rose 20% to P$1.6bn, while reserve coverage increased 130bps YoY to 12% of the gross portfolio. Management remains focused on balancing portfolio growth and profitability with asset quality, while sales with proprietary payment methods continue gaining share, at 51.2% and 37.2% in Liverpool and Suburbia, respectively.
- **Real Estate revenues** grew 16.3% YoY, supported by 94.5% occupancy (90bps higher YoY), the acquisition of full ownership of Galerías Metepec and the opening of Domo Perisur, which is focused on premium and social experiences, adding approximately 7,000 sqm of leasable area. Management highlighted tenants' diversification and continued commercialization of recently added space supporting growth.
- **Primark provides a new long-term growth avenue, while Nordstrom integration remains limited.** Nordstrom's comparable revenue grew 3.2%, and adjusted EBITDA margin expanded 80bps to 7.3%, although no deeper integration is planned in the short term. Meanwhile, Liverpool expects to finalize the Primark master franchise agreement before year-end, with rollout plans still under evaluation. Management views Primark as complementary to Suburbia, targeting a different customer and price point, with lower margins vs. consolidated figures, while investments needed are expected to be funded by cash flow from operations.

Changes in estimates and 2026E-27E Preview

We are adjusting our estimates downward to reflect the continuously soft consumer environment, with SSS trending lower at the Liverpool format, while accounting for the better-than-expected Real Estate business amid recent investments and business expansions. While the company didn't reiterate nor updated its guidance, we continue to see downside potential for both banners, as we account for 0.6% and -1.4% SSS for Liverpool and Suburbia, respectively, vs. guidance of 2.5-3.5% and -1% to +1%. We raise our EBITDA margin estimate after the better-than-expected performance, and our 15.4% estimate is now at the higher end of the 14.5-15.5% guidance. While most estimates updates were positive, we are slightly lowering our terminal growth rate estimate. **After updating our estimates, we slightly raise our PT to P$104 (from P$103), while reiterating our Underperform rating, as we continue to see discretionary spending in Mexico as the most impacted in the short-to-medium term, and Liverpool within the most exposed companies.**

Figure 32: Liverpool 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 231,841**	$ 234,699	***(1.2%)***	**$ 244,090**	$ 247,912	***(1.5%)***
Gross Profit	**$ 95,153**	$ 95,380	***(0.2%)***	**$ 100,884**	$ 101,112	***(0.2%)***
Gross Margin	*41.0%*	*40.6%*	*40 bps*	*41.3%*	*40.8%*	*55 bps*
Operating Profit	**$ 29,448**	$ 29,016	***1.5%***	**$ 30,977**	$ 30,642	***1.1%***
Operating Margin	*12.7%*	*12.4%*	*34 bps*	*12.7%*	*12.4%*	*33 bps*
EBITDA	**$ 35,713**	$ 35,334	***1.1%***	**$ 37,565**	$ 37,311	***0.7%***
EBITDA Margin	*15.4%*	*15.1%*	*35 bps*	*15.4%*	*15.0%*	*34 bps*
Majority Net Profit	**$ 19,608**	$ 19,343	***1.4%***	**$ 20,672**	$ 20,457	***1.1%***
Majority Net Margin	*8.5%*	*8.2%*	*22 bps*	*8.5%*	*8.3%*	*22 bps*
EPS (maj.)	**$ 14.66**	$ 14.46	***1.4%***	**$ 15.45**	$ 15.29	***1.1%***
Segment Sales						
Liverpool Boutiques & Oth.	**$174,884**	$178,143	***(1.8%)***	**$183,882**	$187,379	***(1.9%)***
Liverpool SSS YoY	*0.6%*	*1.8%*	*(120 bps)*	*4.5%*	*4.3%*	*21 bps*
Suburbia	**$24,490**	$24,428	***0.3%***	**$26,144**	$26,110	***0.1%***
Suburbia SSS YoY	*(1.4%)*	*-1.6%*	*28 bps*	*6.3%*	*6.4%*	*(13 bps)*
Financial Business income	**$24,340**	$24,689	***(1.4%)***	**$27,386**	$27,779	***(1.4%)***
Real Estate income	**$5,861**	$5,831	***0.5%***	**$6,678**	$6,644	***0.5%***

Source: Company reports, Actinver Research.

Food & Bev

Arca Continental post 3Q26: remain Outperform, PT up to P$250 (from P$242)

Sales of P$66.6bn were 5.9% YoY higher and above our estimates and consensus, as consolidated volume grew solidly 4.6% YoY. Consolidated sparkling volume grew 4.9% YoY, with Colas and Flavors growing 4.2% and 7%, respectively, and Still Beverages continued to outperform with a 7.1% growth. Sales in Mexico were in line with our estimates, growing 3.7% YoY, while other regions outperformed, especially South America. On a constant currency basis, sales grew 7.5% YoY.

Regionally, in **Mexico,** sales were supported by price growth of 3.9%, while sparkling volume grew 1.1%, and total volume 0.8% YoY, reversing the previously negative trend. EBITDA margin of 24.7% was 90bps higher YoY. In the **U.S.,** sales declined 0.8% YoY, due to FX headwinds (+6.5% in local currency), as volume grew 1.1% and average price 4.3% YoY. EBITDA margin of 16.5% contracted 40bps YoY, impacted by higher aluminum prices and transportation costs in Coca-Cola Southwest and the snack business. **South America** meanwhile posted better-than-expected sales for another quarter, growing 30.1% YoY with solid volume growth of 17.5%, as performance in Peru and Ecuador was solid; EBITDA margin meanwhile contracted for another quarter.

On a consolidated level, EBITDA margin of 20.5% was in line with our estimates. While gross margin of 47.5% represented a solid 60bps YoY expansion, higher SG&A expenses led to an EBITDA margin in line with our estimates and slightly (10bps) higher YoY.

Figure 34: AC 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 66,613**	**$ 63,630**	***4.7%***	**$ 62,920**	***5.9%***	**$ 63,489**	***4.9%***
Gross Profit	**$ 31,654**	**$ 29,957**	***5.7%***	**$ 29,528**	***7.2%***	**$ 30,329**	***4.4%***
Gross Margin	*47.5%*	*47.1%*	*44 bps*	*46.9%*	*59 bps*	*47.8%*	*(25 bps)*
Operating Profit	**$ 10,754**	**$ 10,444**	***3.0%***	**$ 10,280**	***4.6%***	**$ 10,308**	***4.3%***
Operating Margin	*16.1%*	*16.4%*	*(27 bps)*	*16.3%*	*(19 bps)*	*16.2%*	*(9 bps)*
EBITDA	**$ 13,625**	**$ 13,045**	***4.4%***	**$ 12,831**	***6.2%***	**$ 13,133**	***3.7%***
EBITDA Margin	*20.5%*	*20.5%*	*(5 bps)*	*20.4%*	*6 bps*	*20.7%*	*(23 bps)*
Majority Net Profit	**$ 5,054**	**$ 7,099**	***(28.8%)***	**$ 5,311**	***(4.8%)***	**$ 4,952**	***2.1%***
Majority Net Margin	*7.6%*	*11.2%*	*(357 bps)*	*8.4%*	*(85 bps)*	*7.8%*	*(21 bps)*
EPS (maj.)	**$ 2.98**	**$ 4.18**	***(28.8%)***	**$ 3.13**	***(4.8%)***	**$ 2.92**	***2.1%***
Operating Metrics							
Total MX sales	**$ 31,278**	**$ 31,252**	***0.1%***	**$ 30,164**	***3.7%***	**$ 29,877**	***4.7%***
MX EBITDA margin	*24.7%*	*24.0%*	*75 bps*	*23.9%*	*87 bps*	*24.5%*	*27 bps*
Total US sales	**$ 23,374**	**$ 22,440**	***4.2%***	**$ 23,566**	***(0.8%)***	**$ 22,831**	***2.4%***
US EBITDA margin	*16.5%*	*16.8%*	*(39 bps)*	*16.9%*	*(42 bps)*	*17.4%*	*(97 bps)*
Total South Am sales	**$ 11,961**	**$ 9,868**	***21.2%***	**$ 9,190**	***30.1%***	**$ 10,781**	***10.9%***
South Am EBITDA margin	*17.1%*	*18.1%*	*(105 bps)*	*18.0%*	*(94 bps)*	*17.1%*	*(5 bps)*

Source: Bloomberg, Actinver Research

Conference call highlights are:

- **Mexico delivered a sequential improvement**, with beverage volume (excluding jug water) increasing 2.1% YoY, supported by price-architecture design and positive trends across modern and traditional trade. Coca-Cola Zero continued to outperform, growing 32% and gaining share within the Coca-Cola brand mix, strengthening the market strategy through digitalization at point sale. EBITDA margin 80bps margin expansion to 24.7% was supported by positive volume, a favorable mix from returnable and single-serve packages, lower sugar costs and hedging strategies, with company expanding consumption occasions through strategic launches, such as Topo Chico Aguas and Coca-Cola Zero Caffeine Free, with management expecting to keep positive profitability trend through year-end, while

revenue growth management initiatives have helped offset the excise tax headwind.

- **Pricing and financial discipline remain central to the company's strategy.** In Mexico, average price per case increased 3.5% YoY during the quarter. Management expects to continue implementing pricing above inflation, supported by revenue growth management capabilities, and affordability initiatives (e.g., via returnable formats and promotional strategies).
- **In the U.S., Coca-Cola Southwest Beverages delivered positive volume and transaction growth**, increasing 1.1% and 1.5%, respectively, despite a cautious consumer environment. Sparkling beverages grew 2%, while Stills increased 5.9%, supported by Fairlife (+20.6%), Coca-Cola Zero (+15%) and sports drinks (+10.9%). Execution remains a principal focus and management expects Coca-Cola Southwest to close the year with margins at similar levels to 2025. In the country, the company is focused on transaction growth, availability, affordability and premiumization, and despite the EBITDA margin contraction, the company is confident on closing the year flattish YoY.
- **South America delivered a strong performance**, with volume increasing 17.5%, revenues rising 30.1% and EBITDA growing 23.3%, at a 17.1% margin. Peru and Ecuador led the region, with volume up 24.3%, reaching a record quarterly level, supported by growth across categories and channels, including Coca-Cola (+23.8%), Inca Kola (+18.4%), hydration (+37.7%) and Energy Drink (+33.4%). Ecuador volume increased 18.1%, reaching its highest level in six years, while Argentina returned to positive territory with 0.3% growth. Management expects Peru to maintain solid momentum, supported by continued investment in distribution, cooler coverage and customer reach. In Ecuador, digital capabilities and portfolio affordability continued to support growth, while Argentina is expected to see a gradual volume recovery as macroeconomic conditions stabilize, despite ongoing consumer pressure, with more favorable comps.
- **The Food & Snacks businesses delivered mixed results.** In Mexico, Bokados reported growth in net sales and EBITDA, supported by core category strength, lower variable costs and disciplined expense control. Inalecsa maintained its market leadership in Ecuador and delivered double-digit EBITDA growth, benefiting from pricing initiatives and stronger customer reach. In contrast, the U.S. snacks category remains under pressure amid a challenging consumer environment, with management focusing on portfolio profitability, price-pack architecture and the Deep River brand.
- **Regarding raw materials, aluminum, PET and fuel remain the main sources of cost pressure.** The company has fully hedged its aluminum (LME) exposure in the U.S. at around 2025 levels, well below current spot prices, 50% of its Medium West aluminum requirements for the U.S. PET's potential impact in the U.S. is mostly contained, yet there could be an impact in MX and South America. Sugar and fructose needs are also being hedged. Management remains comfortable with its current hedging strategy, while geopolitical uncertainty could continue to pressure input costs in the near term.
- **Shareholder distributions reached P$8.78 per share in 2026**, following the ordinary dividend of P$4.28 per share paid in April and extraordinary dividends of P$2.50 in August and P$2.00 in October, totaling P$8.78/share. This represents a 77% payout of retained earnings and a 4.3% dividend yield. Capital allocation priorities remain focused on Capex, dividends and potential M&A opportunities.
- **Arca Continental reaffirmed its 2026 guidance**, maintaining its expectation for mid-single-digit consolidated sales growth on a currency-neutral basis. Management highlighted improving operating trends across its markets and expects to sustain profitability through disciplined pricing, cost control and operating efficiencies;

Opex/sales is expected to end at around 32%. Capex of 6-7% of sales in 2026 are expected, with the company targeting a gradual reduction to 5-6% over the next couple of years. Looking ahead, management expects a more stable operating environment in 2027, while remaining cautious about macroeconomic and geopolitical volatility and inflationary cost pressures. Still, Mexico's macro conditions are expected to improve.

- **Innovation and digital capabilities remain key growth priorities, with company planning to begin exploring agentic AI solutions in early 2027.** Management estimates that innovation could contribute c,1/3 of growth in Latin America over the next few years, with a greater focus on functional products. In the U.S., the Wild West project, which includes the modernization of facilities in San Antonio and Dallas-Fort Worth and a new warehouse in Oklahoma, expected to begin generating benefits in 2H27, and with its full impact reflected in the P&L by 2028.

Changes in estimates and 2026E-27E Preview

We are adjusting our estimates, reflecting the solid quarterly performance. We are therefore now slightly above top-line guidance. We are adjusting our volume estimates upwards, Opex estimates downwards, financing expenses upward, and Capex estimates downward. Given the better-than-expected quarterly performance, and a more positive view of volumes for the year (e.g., flattish for MX sparkling), **we reiterate our Outperform rating while slightly raising our PT to P$250 (from P$242).**

Figure 33: Arca 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 254,196**	$ 251,072	**1.2%**	**$ 276,029**	$ 269,753	**2.3%**
Gross Profit	**$ 120,747**	$ 118,983	**1.5%**	**$ 130,971**	$ 127,694	**2.6%**
Gross Margin	*47.5%*	*47.4%*	*11 bps*	*47.4%*	*47.3%*	*11 bps*
Operating Profit	**$ 39,639**	$ 39,218	**1.1%**	**$ 42,969**	$ 42,128	**2.0%**
Operating Margin	*15.6%*	*15.6%*	*(3 bps)*	*15.6%*	*15.6%*	*(5 bps)*
EBITDA	**$ 51,530**	$ 50,831	**1.4%**	**$ 55,568**	$ 54,344	**2.3%**
EBITDA Margin	*20.3%*	*20.2%*	*3 bps*	*20.1%*	*20.1%*	*(1 bps)*
Majority Net Profit	**$ 20,057**	$ 22,524	**(11.0%)**	**$ 25,260**	$ 27,276	**(7.4%)**
Majority Net Margin	*7.9%*	*9.0%*	*(108 bps)*	*9.2%*	*10.1%*	*(96 bps)*
EPS (maj.)	**$ 11.81**	$ 13.26	**(11.0%)**	**$ 14.87**	$ 16.06	**(7.4%)**
Operating Metrics						
Total MX sales	**$ 115,103**	$ 115,620	**(0.4%)**	**$ 122,857**	$ 123,416	**(0.5%)**
MX EBITDA margin	*23.6%*	*23.3%*	*24 bps*	*23.6%*	*23.3%*	*27 bps*
Total US sales	**$ 89,251**	$ 88,023	**1.4%**	**$ 96,690**	$ 93,543	**3.4%**
US EBITDA margin	*17.1%*	*17.2%*	*(6 bps)*	*17.2%*	*17.3%*	*(7 bps)*
Total South Am sales	**$ 47,884**	$ 45,172	**6.0%**	**$ 51,280**	$ 47,755	**7.4%**
South Am EBITDA margin	*19.6%*	*19.8%*	*(14 bps)*	*19.3%*	*19.7%*	*(39 bps)*

Source: Company reports, Actinver Research.

Becle post 3Q26: remain Market Perform, PT down to P$15 (from P$16)

The Consumer environment in Mexico and the U.S. has been soft for most of the year, but this is weakness on another level. Becle's consolidated sales declined 15.3%, well below our estimates and consensus. **Volumes (8.7% decline YoY), unfavorable price/mix, FX (on a constant currency basis, sales decreased 10.3% YoY), and the b:oost sale (c.70bps impact) impacted revenues.** From a **volume** perspective and on an organic basis, Mexico was the only region posting flattish volumes (contracting c.12% amid the b:oost sale), as North America (yet with a sequential improvement) and RoW (amid the phasing of shipments into 4Q) volumes declined 3% and 20%, respectively. Overall, while the heavy sales contraction in North America (-14.5% YoY) closed as expected, Mexico and RoW posted lower-than-expected sales, decreasing -9.3% and -25.1% YoY, respectively. By **category,** RTD was the only category posting volume growth, Other Tequilas volume was flattish YoY, and other categories were negative YoY. **A silver lining:** U.S. shipments posted a sequential improvement as the distributor transition continues.

Profitability contracted more than expected and was also below consensus, as gross margin declined 500bps YoY to 51.1% (80bps below our estimates). EBIT and EBITDA margins were also lower than expected, lower YoY and QoQ. While input costs remain stable, weaker operating leverage, FX headwinds, unfavorable geographic mix, and a heavy promotional environment weighed on results, along with a tough comp from a P$753mn gain in other income last year. Additionally, AMP was higher than expected on both a P$ and % of sales perspective. Challenging conditions persist, and we still don't seem to be nearing the bottom of the bottle.

Figure 34: Becle 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 9,253**	**$ 9,859**	***(6.1%)***	**$ 10,922**	***(15.3%)***	**$ 9,865**	***(6.2%)***
Gross Profit	**$ 4,730**	**$ 5,113**	***(7.5%)***	**$ 6,123**	***(22.8%)***	**$ 4,973**	***(4.9%)***
Gross Margin	*51.1%*	*51.9%*	*(75 bps)*	*56.1%*	*(495 bps)*	*50.4%*	*71 bps*
Operating Profit	**$ 1,112**	**$ 1,684**	***(34.0%)***	**$ 3,121**	***(64.4%)***	**$ 1,712**	***(35.1%)***
Operating Margin	*12.0%*	*17.1%*	*(507 bps)*	*28.6%*	*(1,656 bps)*	*17.4%*	*(534 bps)*
EBITDA	**$ 1,456**	**$ 1,990**	***(26.8%)***	**$ 3,459**	***(57.9%)***	**$ 2,057**	***(29.2%)***
EBITDA Margin	*15.7%*	*20.2%*	*(445 bps)*	*31.7%*	*(1,594 bps)*	*20.9%*	*(512 bps)*
Majority Net Profit	**$ 633**	**$ 1,135**	***(44.3%)***	**$ 4,125**	***(84.7%)***	**$ 1,410**	***(55.1%)***
Majority Net Margin	*6.8%*	*11.5%*	*(467 bps)*	*37.8%*	*(3,094 bps)*	*14.3%*	*(745 bps)*
EPS (maj.)	**$ 0.18**	**$ 0.32**	***(44.3%)***	**$ 1.15**	***(84.7%)***	**$ 0.39**	***(55.1%)***
Operating Metrics							
U.S. & Canada sales	**$ 5,145**	**$ 5,111**	***0.7%***	**$ 6,017**	***(14.5%)***	**$ 5,343**	***(3.7%)***
Mexico sales	**$ 2,491**	**$ 2,898**	***(14.1%)***	**$ 2,746**	***(9.3%)***	**$ 2,919**	***(14.7%)***
RoW sales	**$ 1,617**	**$ 1,849**	***(12.5%)***	**$ 2,159**	***(25.1%)***	**$ 1,603**	***0.9%***

Source: Bloomberg, Actinver Research

Conference call highlights are:

- **Becle continues to face a challenging demand environment across regions, with limited signs of a broad-based recovery.** While U.S. trends are improving sequentially as the distributor transition progresses, underlying consumption remains weak, facing affordability pressures and intense competition across spirits categories. Overall, as macro conditions remain soft in the country, the company continues to see more value-driven purchasing decisions (along with customers moving towards beverages with strong craft credentials), trade-down and fewer out-of-home consumption occasions, with consumers also drinking less per occasion. Against this backdrop, Becle remains focused on strengthening its tequila portfolio and expanding its presence in ultra-premium segments.

- **The U.S. and Canada distributor transition is progressing, with inventory rebalancing now behind the company and operating trends improving sequentially**. Shipments declined 3.0% YoY in 3Q26, a significant improvement from the declines of 23.8% in 1Q26 and 8.7% in 2Q26, while depletions increased 0.3%, compared with declines of 9.0% and 4.7%, respectively. Transition markets grew approximately 4.6%, while non-transition markets declined 3.1%. Management expects shipments and depletions to remain closely aligned in 4Q26 and throughout 2027, with depletions expected to outperform shipments for the full year as inventory levels normalize, and returning to sustainable profitable growth starting 4Q26.
- The company acknowledged that **aggressive pricing is not limited to tequila but extends across categories.** Becle intends to maintain its current price positioning, using promotional depth and frequency to remain competitive rather than resetting prices. Its focus remains on protecting brand value and maintaining disciplined AMP spending, while directing investments toward initiatives with the highest returns. In terms of M&A, the company remains interested in segments where it already participates, and in premium (above-US$30) products. We continue to consider that a broader diversification strategy into more resilient and faster-growing categories is increasingly relevant, particularly given the structural (not cyclical as per the company) challenges facing traditional spirits consumption.
- **EMEA and APAC** continued to provide a source of growth, with tequila gaining share despite a softer spirits market and ongoing pressure on consumer spending. In Europe, tequila continues to grow and gain share in priority markets despite the mid-single-digit contraction in the broader spirits category. In Asia, tequila is also outperforming other spirits, supported by distribution gains and stronger demand. For 4Q26, the company expects an improvement.
- **In LatAm,** shipments were delayed to October because of weather headwinds, with Colombia particularly impacted. The company has been working on keeping healthy inventory levels ahead of expectedly high seasonal sales.
- Management views the current difficult consumer environment as largely cyclical and **sees the entry of Gen Z into the legal drinking-age population as a potential source of future growth; however, we remain cautious about its potential contribution to long-term spirits consumption.** In our view, younger generations are developing different consumption habits, increasingly influenced by health & wellness trends (GLP-1), moderation and a broader shift in lifestyle preferences. This could translate into different spending patterns compared with previous generations, limiting the extent to which Gen Z becomes a direct growth driver for traditional alcoholic beverages.
- **Management revised its FY26 guidance to a mid-single-digit decline in consolidated net sales value on a constant-currency basis** (from its previous low-single-digit decline outlook), while AMP spending guidance remained unchanged at 19-21% of net sales.
- **Management continues to identify operational efficiencies, mostly on the supply chain front, although the benefits are expected to become more visible next year. While these initiatives could support the cost structure over time, we consider that they will take time to offset the current pressure from operating deleverage, marketing investments and unfavorable mix.**

Changes in estimates and 2026E-27E Preview

We are adjusting our estimates to reflect the weak performance across the P&L, with our updated estimates now below the lowered guidance, as we forecast a high-single-digit sales decline YoY ex. FX headwinds, vs. the mid-single-digit guidance. Meanwhile, we expect FY27 to be the first year the company resumes top-line growth since 2022. At the margin level, we forecast FY27 margin expansion after the heavy FY26 contraction, with

EBITDA margin of 19.5% about to reach the 20% levels. **After these adjustments, we reiterate our Market Perform rating, while lowering our PT to P$15 (from P$16).**

Figure 35: Becle 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 37,330**	$ 37,970	***(1.7%)***	**$ 41,278**	$ 41,147	***0.3%***
Gross Profit	**$ 19,199**	$ 19,600	***(2.0%)***	**$ 21,682**	$ 21,691	***(0.0%)***
Gross Margin	*51.4%*	*51.6%*	*(19 bps)*	*52.5%*	*52.7%*	*(19 bps)*
Operating Profit	**$ 5,221**	$ 5,800	***(10.0%)***	**$ 6,532**	$ 6,801	***(3.9%)***
Operating Margin	*14.0%*	*15.3%*	*(129 bps)*	*15.8%*	*16.5%*	*(70 bps)*
EBITDA	**$ 6,600**	$ 7,141	***(7.6%)***	**$ 8,060**	$ 8,255	***(2.4%)***
EBITDA Margin	*17.7%*	*18.8%*	*(113 bps)*	*19.5%*	*20.1%*	*(54 bps)*
Majority Net Profit	**$ 3,536**	$ 4,050	***(12.7%)***	**$ 4,266**	$ 4,588	***(7.0%)***
Majority Net Margin	*9.5%*	*10.7%*	*(119 bps)*	*10.3%*	*11.2%*	*(82 bps)*
EPS (maj.)	**$ 0.98**	$ 1.13	***(12.7%)***	**$ 1.19**	$ 1.28	***(7.0%)***
Operating Metrics						
U.S. & Canada sales	**$ 19,436**	$ 19,333	***0.5%***	**$ 21,985**	$ 21,408	***2.7%***
Mexico sales	**$ 10,678**	$ 11,251	***(5.1%)***	**$ 11,334**	$ 11,923	***(4.9%)***
RoW sales	**$ 7,216**	$ 7,386	***(2.3%)***	**$ 7,959**	$ 7,817	***1.8%***

Source: Company reports, Actinver Research.

Bimbo post 3Q26: remain Outperform, PT up to $80 PT (from P$76), Top Pick

Sales declined 1.3% YoY, as expected amid FX headwinds; excluding FX impact, sales grew 3.6% YoY. Similar to previous quarters, positive price/mix and volumes, along with recent acquisitions, led to the healthy sales performance. **Across regions, most sales performed in line or above our estimates, with the exception of EAA. North America** sales contracted 6.8% YoY, in line with our estimates and impacted by FX headwinds, as sales in local currency grew 1%. In **Mexico,** sales grew 5.2% YoY and were above our estimates (supported by the convenience and wholesale channels), while in EAA, contraction of 7% was worse than expected (impacted by headwinds in Romania and China's branded business). **LatAm** posted healthy growth of 12.4%, slightly above our estimates and further supported by the Wickbold acquisition.

From a profitability standpoint, margins expanded more than our estimates, starting at the gross profit level. Gross margin expanded 80bps YoY to 53.1%, amid favorable price/mix, commodity costs, and improved efficiencies in the U.S. Further productivity initiatives in the latter led to a consolidated **adj. EBITDA of 15.7%, a solid expansion YoY and QoQ and a record level. As expected, profitability expanded in all regions except LatAm** (c.11% of sales), partially due to the recent acquisition in Brazil.

Figure 36: Bimbo 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 106,061**	**$ 106,677**	***(0.6%)***	**$ 107,427**	***(1.3%)***	**$ 105,026**	***1.0%***
Gross Profit	**$ 56,299**	**$ 56,199**	***0.2%***	**$ 56,190**	***0.2%***	**$ 55,255**	***1.9%***
Gross Margin	*53.1%*	*52.7%*	*40 bps*	*52.3%*	*78 bps*	*52.6%*	*47 bps*
Operating Profit	**$ 10,390**	**$ 9,133**	***13.8%***	**$ 9,403**	***10.5%***	**$ 8,827**	***17.7%***
Operating Margin	*9.8%*	*8.6%*	*123 bps*	*8.8%*	*104 bps*	*8.4%*	*139 bps*
Adj. EBITDA	**$ 16,644**	**$ 15,298**	***8.8%***	**$ 15,776**	***5.5%***	**$ 15,113**	***10.1%***
EBITDA Margin	*15.7%*	*14.3%*	*135 bps*	*14.7%*	*101 bps*	*14.4%*	*130 bps*
Majority Net Profit	**$ 4,109**	**$ 3,613**	***13.7%***	**$ 3,364**	***22.2%***	**$ 2,934**	***40.0%***
Majority Net Margin	*3.9%*	*3.4%*	*49 bps*	*3.1%*	*74 bps*	*2.8%*	*108 bps*
EPS (maj.)	**$ 0.95**	**$ 0.84**	***13.7%***	**$ 0.78**	***22.8%***	**$ 0.68**	***40.0%***
Operating Metrics							
Net Sales North America	**$ 44,241**	**$ 44,374**	***(0.3%)***	**$ 47,470**	***(6.8%)***	**$ 44,368**	***(0.3%)***
Adj. EBITDA margin NA	*10.8%*	*10.1%*	*71 bps*	*10.4%*	*46 bps*	*10.0%*	*88 bps*
Net Sales Mexico	**$ 40,905**	**$ 40,181**	***1.8%***	**$ 38,897**	***5.2%***	**$ 40,279**	***1.6%***
Adj. EBITDA margin MX	*22.4%*	*20.6%*	*176 bps*	*20.4%*	*196 bps*	*20.7%*	*166 bps*
Net Sales EAA	**$ 13,371**	**$ 13,733**	***(2.6%)***	**$ 14,370**	***(7.0%)***	**$ 13,188**	***1.4%***
Adj. EBITDA margin EAA	*12.3%*	*11.6%*	*62 bps*	*11.2%*	*107 bps*	*11.7%*	*56 bps*
Net Sales LatAm	**$ 12,047**	**$ 11,917**	***1.1%***	**$ 10,714**	***12.4%***	**$ 11,620**	***3.7%***
Adj. EBITDA margin Lat	*7.3%*	*7.7%*	*(36 bps)*	*8.6%*	*(125 bps)*	*7.7%*	*(34 bps)*

Source: Bloomberg, Actinver Research

Conference call highlights are:

- **North America:** Transformation continues (e.g., improving sourcing and distribution to more channels), with volume recovery a key priority, expected to further contribute to profitability. Sales trends are supported by strong private-label performance and market share gains across U.S. categories, driven by disciplined pricing, promotions, innovation and stronger commercial execution, amid the current inflationary and adverse consumer environment; consumption remains bifurcated among premium and value conscious consumers, with middle and low-income households still pressured. Additionally, foodservice remains pressured. Health & Wellness initiatives and growth across premium, mainstream and value segments have helped address different consumer needs. Management aims to

restore sustained profitable volume growth, particularly in small-format retail and away-from-home channels.

- **Mexico and EAA** delivered strong profitability, while **LatAm** remained mixed due to Brazil. Mexico's adjusted EBITDA margin expanded 200bps to 22.4%, supported by strong sales, lower cost of sales, a favorable FX and reduced waste, while all categories and channels contributed to sales. EAA margin increased 110bps to 12.3%, with strength across most markets, including Bimbo QSR, India, the Balkans and the U.K. In **LatAm**, Brazil remained the main headwind due to the Wickbold integration (which won't account for inorganic growth starting 4Q26), as management continues to identify operational and commercial synergies, with efficiencies expected to gradually materialize.

- **In both Mexico and the U.S., private label has been fairly strong,** and thus Bimbo is exploring that opportunity to capture demand more effectively, while trying not to cannibalize their products.

- **Cash generation, developments on working capital and deleveraging** strengthened the balance sheet. Free cash flow reached approximately P$17bn in the first nine months, despite roughly P$12bn in capex, bringing net debt/EBITDA down to 2.4x after returning P$6bn to shareholders; further deleveraging is expected. Management expects 2026 Capex of US$1.0–1.2bn, with spending in 2027 likely somewhat higher due to deferred projects, while acquisitions remain disciplined and focused on strategic fit, risks and value creation.

- **FY 2026 guidance:** 2026 EBITDA margin guidance was raised for the third time. Management increased the lower end of its full-year adjusted EBITDA margin expansion guidance to 85bps from 70bps, implying a new range of 85–120 bps expansion YoY. Sales growth excluding FX is still expected at a mid-single-digit rate, translating into flat to low-single-digit declines in reported peso terms. For FY27, the company sees encouraging drivers; management expects gradual margin improvement to continue in EAA in the short and long terms, while U.S. volume growth and Brazil's profitability recovery remain key execution priorities, and Mexico posts sustainable growth. As FY26 Capex guidance of US$1-1.2bn, with some projects pushed into 2027, FY27 Capex is expected to be above FY26 levels.

- **COGS and FX headwinds are expected for FY27, partly mitigated by hedging and productivity**, particularly in Mexico, with higher fuel and transportation costs already affecting North America. Meanwhile, management is not expecting a high impact from higher labor costs in Mexico. The company has fully hedged 4Q26, and nearly 100% of key raw materials for 1H27. Current hedges, in place since 6 months ago, allow the company to have a positive effect YoY. While net financing costs decreased in 3Q26, management expects less favorable conditions going forward, especially as FX expectations are less favorable for FY27; in our view, deleveraging could offset this headwind. **As capital allocation strategy hasn't changed,** the company is expected to continue growing dividends slightly above inflation, while the buyback program is expected to continue.

Changes in estimates and 2026E-27E Preview

We are raising our estimates to reflect the quarterly margin outperformance and updated guidance. Given the in-line sales for another quarter, we are leaving our top-line estimates unchanged. All in, we forecast sales to decline 0.9% YoY in MXN, with EBITDA margin reaching 14.8%, a 87bps YoY expansion, now in the lower end of guidance, after raising our estimates. For FY27, we forecast a flattish EBITDA margin, coupled with better sales growth amid less FX headwinds and better U.S. performance, followed by margin expansion and

mid-single-digit growth in FY28. We also adjust our Capex estimates. After accounting for this improved outlook in the short and long run, **we raise our PT to P$80 (from P$76), while leaving our Outperform rating and Top Pick status unchanged.**

Figure 37: Bimbo 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 423,052**	$ 422,689	***0.1%***	**$ 450,327**	$ 443,181	***1.6%***
Gross Profit	**$ 223,184**	$ 222,002	***0.5%***	**$ 237,879**	$ 233,535	***1.9%***
Gross Margin	*52.8%*	*52.5%*	*23 bps*	*52.8%*	*52.7%*	*13 bps*
Operating Profit	**$ 36,912**	$ 35,085	***5.2%***	**$ 39,533**	$ 37,689	***4.9%***
Operating Margin	*8.7%*	*8.3%*	*42 bps*	*8.8%*	*8.5%*	*27 bps*
Adj. EBITDA	**$ 62,585**	$ 60,577	***3.3%***	**$ 66,687**	$ 64,400	***3.6%***
EBITDA Margin	*14.8%*	*14.3%*	*46 bps*	*14.8%*	*14.5%*	*28 bps*
Majority Net Profit	**$ 13,268**	$ 12,566	***5.6%***	**$ 16,798**	$ 15,957	***5.3%***
Majority Net Margin	*3.1%*	*3.0%*	*16 bps*	*3.7%*	*3.6%*	*13 bps*
EPS (maj.)	**$ 3.08**	$ 2.92	***5.6%***	**$ 3.90**	$ 3.71	***5.3%***
Operating Metrics						
Net Sales North America	**$ 176,396**	$ 175,887	***0.3%***	**$ 188,323**	$ 183,950	***2.4%***
Adj. EBITDA margin NA	*10.0%*	*9.6%*	*41 bps*	*10.3%*	*9.9%*	*40 bps*
Net Sales Mexico	**$ 162,063**	$ 161,339	***0.4%***	**$ 170,504**	$ 169,737	***0.5%***
Adj. EBITDA margin MX	*21.5%*	*21.0%*	*54 bps*	*21.5%*	*21.0%*	*54 bps*
Net Sales EAA	**$ 53,904**	$ 54,066	***(0.3%)***	**$ 58,385**	$ 57,399	***1.7%***
Adj. EBITDA margin EAA	*11.8%*	*11.6%*	*20 bps*	*12.1%*	*11.6%*	*53 bps*
Net Sales LatAm	**$ 47,428**	$ 47,128	***0.6%***	**$ 48,002**	$ 46,745	***2.7%***
Adj. EBITDA margin Lat	*7.0%*	*7.2%*	*(13 bps)*	*7.2%*	*8.3%*	*(107 bps)*

Source: Company reports, Actinver Research.

KOF post 3Q26: Market Perform rating, PT up to P$230 (from P$222)

Sales were ahead of our estimates, 10.9% higher YoY, on the back of better-than-expected growth in MX & CAM (8.3% YoY) and South Am (14.7% YoY). **Consolidated volumes grew 5.3% YoY,** with Mexico & Central America posting a solid 4.8% volume increase, an acceleration vs. the previous quarter, despite pricing initiatives. In South America, meanwhile, volumes grew 6% YoY, amid solid growth in Colombia and Brazil for another quarter, the latter growing mid-teens. On a currency neutral basis, consolidated revenues grew 11.3% YoY.

On a profitability level, margins expanded solidly and were mostly better than expected. Gross margin expanded 150bps YoY, above our slightly expanding estimates, supported by lower sweetener and PET costs amid the company's hedging initiatives, and FX tailwinds vs. USD-denominated raw materials, while on the other hand affected by higher aluminum costs and unfavorable mix. EBIT and EBITDA further expanded —the latter closing at 21.1%, 100bps higher YoY, and 70bps above our estimates—, benefited by operating leverage, expense efficiencies and Brazil insurance claims of P$1,055mn. Excluding this tailwind, EBITDA would have been close to our forecast, and margin would have been lower than our estimates. Adj. EBITDA margin contracted in Mexico & CAM, while expanding in South America. Higher financing costs on the other hand led to a net margin contraction, with net margin of 7.8% below our estimates.

Figure 38: KOF 3Q26 results review

Source: Company reports, Actinver Research

Conference call highlights are:

- **Mexico continued to show signs of recovery**, with volumes increasing 4.2% YoY, supported by affordability initiatives, differentiated price-pack architecture and stronger commercial execution; additionally, management highlighted that the company still faced an easy comp from last year's consumer backlash. KOF gained 70bps in sparkling beverage value share as of September, while management highlighted gradually improving daily sales trends, although consumption remains challenging. Traditional trade continued outperforming modern channels as consumers prioritized affordability, recovering market share during the year. RGM initiatives are a priority with further potential adjustments planned for mid-November, to offset cost pressures. Additionally, the company highlighted that amid affordability trends, traditional trade is reclaiming some space vs. modern trade and other channels.

- **Portfolio innovation is becoming an increasingly important growth driver**, with recent launches significantly outperforming management expectations. Coca-Cola Triple Zero, Topo Chico Sparkling Lemonade and Orangeade experienced stronger-than-expected consumer acceptance, with the latter reaching 70% traditional trade coverage and a 40% repurchase rate, while supply constraints limited product availability. Management highlighted substantial untapped opportunities across beverage categories, with an innovation pipeline expected to support growth into 2027.
- **Other factors to consider in MX are:** 1) multiserve growth is impacting profitability in MX; 2) recent MXN depreciation could impact USD-denominated accounts payables; 3) minimum wage growth in MX is impacting profitability more than benefitting consumption (as in previous years); and 4) freight expenses are increasing. Strong volume growth is offsetting some of these headwinds at the profitability level.
- **South America remained a key growth and profitability driver**, with volumes increasing 6.0% YoY, supported by broad-based growth across all markets. Brazil continued gaining market share across beverage categories, supported by portfolio expansion and stronger commercial execution, with volumes increasing 3.9% and Coca-Cola Zero growing 15%. Post elections there could be a slowdown, yet the company remains confident on Brazil's growth opportunities. Meanwhile, the workforce reduction is expected to have an impact, and the company is awaiting regulatory tax discussions; RGM is expected to offset some of these headwinds. Colombia delivered particularly strong growth of 15.9%, benefiting from favorable consumption dynamics while Argentina remained relatively flat amid continued pressure on household purchasing power.
- **All in,** the company highlighted solid macro conditions in both Colombia and Guatemala, with the former still facing many opportunities to improve performance (with the 3-year excise tax cycled out this year), while Brazil still has some room for improvement at a lower scale. Across the region, the company highlighted a significant increase in freight and labor expenses.
- **Digitalization remains a key commercial enabler**, with Juntos+ a relevant strategy. Digital revenues accounted for c.42% of traditional trade in Brazil and increasing average ticket by 18%, and a 19% YoY increase in Mexico drove a 19%. Management sees further opportunities through the rollout of Juntos+ Advisors, including order-entry capabilities in Mexico and additional LatAm markets, as well as a new sales supervisor tool in Brazil, aimed at improving salesforce productivity, customer coverage and in-store execution.
- **Commodity hedges continued supporting gross margin expansion**, with 2026 coverage reaching approximately 65% of PET, 88% of sugar, 98% of HFCS and 74% of aluminum requirements. KOF has also started building its 2027 positions, securing c.60% of PET, c.85% of sugar, 94% of HFCS and 54% of aluminum requirements at prices broadly in line with 2026 levels, providing greater cost visibility amid continued commodity volatility.
- **Management remains moderately optimistic about 2027, expecting a more normalized operating environment** following consumer backlash in 2025 and the IEPS increase in Mexico in 2026. The company expects to build on recent market share gains, portfolio innovation and its multi-year strategy of protecting affordability.

Changes in estimates and 2026E-27E Preview

We are raising our top-line estimates for both FY26-27, despite the tougher comps in MX in coming quarters, while leaving our margin estimates fairly unchanged despite the

outperformance, as we account for the different cost headwinds ahead. We now forecast positive volume growth for MX in FY26, 0.8% total Mexico, and 1.1% YoY in sparkling Mexico. We continue to see KOF as one of the very few companies with expected FY26 margin expansion within our Consumer coverage. **After these changes we are raising our PT to P$230 (from P$222), while reiterating our Market Perform rating.**

Figure 39: KOF 2026E and 2027E Preview

Source: Company reports, Actinver Research.

FEMSA post 3Q26: remain Market Perform, PT up to P$248 (from P$238)

Sales grew solidly, 9.8% YoY, 1% above our estimates, on the back of healthy growth in OXXO Mexico (10.3% YoY), Americas & Mobility (18.1%), KOF (10.9%), and accelerating Health (7%), while Europe (-5.2%) continued to underperform. On a comparable basis (i.e., excluding FX effect and M&A), all segments posted sales growth, and consolidated sales would have grown 9.4% YoY.

OXXO Mexico growth of 10.3% was supported by SSS of 9.2%. The company's strategies focused on driving traffic are yielding results, while Bara continues to gain momentum. OXXOs in South America, especially in Colombia, continue performing solidly. As expected, Europe remains underperforming, while Health partially benefited from an easy comp base. For the remainder of the year, the company continues to see a soft consumer environment, with recent volatility in Brazil, and tougher comps.

On a profitability level, margins were flattish-to-expanding, and mixed vs. our estimates, with KOF also the main driver. Gross margin remained flat YoY, as KOF and Americas & Mobility expanded margins, but OXXO MX (amid a tough comp base from high commercial income), Europe and Health declined. At the EBIT level, KOF further contributed to performance, while consolidated EBITDA margin of 14.8% was 40bps better YoY vs. our flattish expectations, despite cost headwinds (e.g., costs of closing underperforming OXXOs in MX, higher labor and variable compensation expenses). All in, FEMSA ex. KOF performed close to our estimates.

Figure 40: FEMSA 3Q26 Review

Source: Company reports, Actinver Research

Conference call highlights are:

- **OXXO Mexico delivered another strong quarter, with SSS increasing 9.2%, driven by 5.5% growth in average ticket and 3.5% in traffic.** Traffic accelerated by 150bps vs. 2Q26, despite a limited World Cup contribution. Although warmer weather provided some support, more relevant in our view was the continued market share gains across all relevant retail channels in the categories where it competes, with YTD market share now above 2024 levels. Gains remain concentrated in core impulse categories, including energy drinks, soft drinks, beer and tobacco, reflecting improved execution and a more competitive value proposition. Management highlighted positive traffic trends across all geographic regions, reinforcing the effectiveness of its ongoing commercial initiatives despite a still-soft consumer environment. In terms of unit growth, the company opened 191 stores,

while closing 140 older, underperforming stores amid its portfolio optimization initiatives; management thus expects to come up short of 1,000 annual net new stores in Mexico.

- **OXXO's four strategic pillars are beginning to deliver broader traffic contributions, although progress remains uneven across categories.** Impulse remains the main growth driver, supported by improvements in price-pack architecture, value-oriented assortment and execution across core categories. **Foodservice** continues gaining traction, with traffic growing at a low double-digit rate, mainly driven by coffee, supported by improved in-store execution, tactical pricing and expanded food offerings. Management aims to triple its current sales contribution, bringing it closer to the levels achieved in Colombia, Peru and Chile, where its relative importance is c.3x higher. The opportunity is particularly attractive given its margin-accretive profile and is supported by a better understanding of Mexican consumers' breakfast and snacking occasions. In parallel, **daily replenishment** remains at an early testing stage, with initial initiatives already modestly contributing to traffic, as OXXO seeks to capture more frequent household purchases through smaller, affordable presentations, competitive price-per-gram offerings and its extensive store footprint. **Beyond Trade,** including financial and non-financial services, is also delivering positive traffic trends. Management continues testing several initiatives, including structured pricing experiments, store and coffee-area renovations, and Canasta OXXO, which focuses on everyday essentials at accessible price points.
- **For OXXOs, Colombia and Brazil remain solid opportunities,** with expected openings in the latter at c.70 net new stores per year.
- **Europe continued facing operational challenges,** particularly in German retail and foodservice, while Swiss retail remained resilient. Revenues declined 5.2% YoY, although they increased 4% on a currency-neutral basis. Performance in Germany was affected by train-route closures and extreme weather, which weighed on traffic, particularly at train stations. **Gross margin contracted approximately 90bps on a comparable accounting basis**, reflecting lower food and tobacco margins.
- **Bara continued delivering strong growth, with SSS increasing 10.3% and 112 net new stores added, reaching 898 stores;** the company expects to outperform the store per day opening target, with even more plannings expected next year. Management highlighted faster maturation among newer store cohorts compared with legacy stores in the Bajío, reflecting improvements in the format and a stronger customer response. The company is increasingly focused on developing its private-label offering, strengthening supply chain capabilities, simplifying assortment and eliminating SKUs that add unnecessary complexity. Importantly, management emphasized that newer stores are reaching breakeven faster, reducing the amount of capital required to sustain operating losses during maturation and providing greater flexibility to accelerate expansion. FEMSA expects Bara to continue growing its store base at an even faster pace in 2027, with store growth expected to surpass 30%. Management continues to highlight Bara's growth opportunities.
- **Management acknowledged that the Mexican consumer remains cautious and increasingly focused on affordability,** while tougher comparisons, potentially less favorable weather, and higher labor costs could weigh on performance in the coming quarters. FEMSA will continue prioritizing operating efficiency, disciplined pricing and the development of its growth platforms, particularly foodservice, daily replenishment and Bara.
- **The company recently announced a new share buyback program,** incremental to the c.P$41bn in ordinary and extraordinary dividends in ordinary and extraordinary dividends expected in the March 2026-27 cycle, with the remaining P$11bn

expected to be distributed early next year; in October, the company paid its 3rd installments of its 2026 ordinary and extraordinary dividend. Further color on coming distribution is expected in February-March 2027. Meanwhile, the c.2x net debt/adj. EBITDA leverage target remains unchanged (1.5-1.6x expected for FY26 year-end).

Changes in estimates and 2026E-27E Preview

We are slightly adjusting our estimates to reflect our more upbeat estimates on KOF, while OXXO MX is expected to remain resilient post World Cup tailwinds. FEMSA, previously a Top Pick and rated Outperform, remains one of the best positioned Consumer companies within our coverage to post solid top line and margins for the year. After raising our estimates and KOF's PT, **we raise our PT to P$248 (from $P238), while reiterating our Market Perform rating.**

Figure 41: FEMSA 2026E and 2027E Preview

Source: Company reports, Actinver Research

Gruma post 3Q26: remain Market Perform, PT down to P$266 (from P$272)

Revenues of US$1.65bn were 0.9% higher YoY, 2.8% above our estimates and consensus. Consolidated volume contracted 2% YoY, while FX and sales mix were positive. As expected, conditions in **the U.S.** remained weak, mostly in foodservice, as retail sales were more stable. Volumes and sales declined 4% YoY. Adj. EBITDA margin of 17.9% in the country represents a heavy margin contraction YoY. In **Mexico,** meanwhile, volumes and sales also declined (-2% and -1%, respectively), despite FX tailwinds, while profitability slightly improved YoY and EBITDA margin reached 11.9%. Despite volume pressure, **Europe and A&O** improved margins, supported by better sales mix and cost efficiencies, and despite higher distribution costs. In the former, volumes decreased 6% YoY, mostly impacted by lower corn milling volumes due to disruptions form the Ukraine war and customer seasonality, while the tortilla business remained positive amid higher retail presence and better sales mix. In the former, volumes declined 2%, while sales increased 10% YoY, amid a solid contribution from retail in Australia, and despite continued disruptions in Malaysia. **Centroamérica** meanwhile posted solid volumes (2% YoY), sales (6%) and margin performance (790bps Adj. EBITDA margin expansion), with a one-off (insurance payment) offsetting cost pressure.

Consolidated margins contracted mostly as expected. Gross margin was impacted by higher labor, packaging and energy costs. EBIT and Adj. EBITDA margins contracted 90bps YoY, the latter reaching 17%, fairly in line with our estimates yet below consensus. Higher distribution costs (more driven by transportation services availability than by diesel prices) were one of the drivers of further contraction, while the insurance claim in Centroamérica contributed to margins.

Figure 42: Gruma 3Q26 results review

Income Statement (US$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 1,651**	**$ 1,606**	**2.8%**	**$ 1,636**	**0.9%**	**$ 1,650**	**0.0%**
Gross Profit	**$ 643**	**$ 625**	**2.8%**	**$ 643**	**(0.0%)**	**$ 647**	**(0.7%)**
Gross Margin	*39.0%*	*38.9%*	*2 bps*	*39.3%*	*(37 bps)*	*39.2%*	*(27 bps)*
Operating Profit	**$ 219**	**$ 208**	**5.3%**	**$ 231**	**(5.2%)**	**$ 215**	**1.8%**
Operating Margin	*13.2%*	*12.9%*	*31 bps*	*14.1%*	*(85 bps)*	*13.0%*	*23 bps*
EBITDA	**$ 280**	**$ 275**	**1.9%**	**$ 293**	**(4.2%)**	**$ 277**	**1.2%**
EBITDA Margin	*17.0%*	*17.1%*	*(15 bps)*	*17.9%*	*(91 bps)*	*16.8%*	*19 bps*
Majority Net Profit	**$ 132**	**$ 126**	**4.5%**	**$ 133**	**(0.8%)**	**$ 119**	**10.9%**
Majority Net Margin	*8.0%*	*7.8%*	*13 bps*	*8.1%*	*(13 bps)*	*7.2%*	*78 bps*
EPS (maj.)	**$ 0.40**	**$ 0.37**	**5.8%**	**$ 0.38**	**4.3%**	**$ 0.35**	**12.3%**
Operating Metrics							
Net Sales Gruma USA	**$ 838**	**$ 849**	**(1.3%)**	**$ 874**	**(4.1%)**	**$ 850**	**(1.4%)**
USA EBITDA margin	*17.9%*	*19.0%*	*(117 bps)*	*21.1%*	*(327 bps)*	*19.4%*	*(154 bps)*
Net Sales GIMSA	**$ 465**	**$ 457**	**1.9%**	**$ 471**	**(1.2%)**	**$ 460**	**1.2%**
GIMSA EBITDA margin	*11.9%*	*11.3%*	*65 bps*	*11.4%*	*55 bps*	*10.9%*	*99 bps*
Net Sales Gruma Europe	**$ 135**	**$ 143**	**(5.3%)**	**$ 136**	**(0.4%)**	**$ 143**	**(5.3%)**
Net Sales A&O	**$ 80**	**$ 73**	**9.3%**	**$ 73**	**10.2%**	**$ 78**	**1.9%**
Net Sales CAM	**$ 108**	**$ 105**	**2.6%**	**$ 101**	**6.4%**	**$ 103**	**4.5%**

Source: Company reports, Actinver Research

Conference call highlights are:

- **U.S. operations continue to be the main headwind;** macroeconomic conditions remain uncertain, with higher inflation levels and weaker purchasing power, leading consumers to dine out less and eat more at home, reducing overall restaurant traffic across the industry and therefore the foodservice business, which accounts for c.16% of volumes in the country. Management still expects stabilization of the foodservice channel at some point in 4Q26, later than previously expected, after a decline of c.15% over the last 18 months, and of c.17% in 3Q26. Management views this shift as temporary rather than structural, with consumer demand

expected to improve as the economy recovers and volumes are expected to stabilize in 4Q26. Recently improving market share trends contribute to these expectations.

- **Competition has become less aggressive than earlier this year,** while Gruma continues adapting its portfolio toward value offerings, with **private label growing c.10% YoY, reaching 7% of Gruma's U.S. sales, and profitability remining under pressure as consumers trade down; Gruma expects margin dilution as their share of private label continues growing.** Within the industry, private label reached a record 13.5% share of the U.S. tortilla market, and is the fastest growing player in the market, with more SKUs expected to be added; according to Gruma, once the economy and consumer sentiment improve there could be a volume inflection point. Meanwhile, standard wheat products that are aimed at more price sensitive consumers, with a c.35% of retail sales, are trending down to private label. All in, Gruma outperformed the U.S. retail tortilla category for the first time in several quarters, increasing its market share to 59.6% from 58%, reflecting improved competitive positioning in retail.
- **Additionally, the company highlighted its operations in Europe.** Within their regional presence, retail accounts for a solid 60% (well above previously more foodservice oriented sales), while c.30% of their sales are private label. Contrary to the U.S., private label in Europe seems to be declining its share, although from the high base.
- **In Mexico,** the company was able to pass through some of the inflation in 2Q, leading to a better gross margin. While demand has been very stable, government programs have caused volatility this year as in previous periods.
- **The Better-for-You value-added segment,** which accounts for approximately 32% of U.S. retail sales, has decelerated to around 8% YoY growth, from historical growth of c.15%, while standard tortillas remain under pressure, growing 5-6%. Management continues adapting its portfolio toward value offerings, with the longer-term objective of restoring volume growth and subsequently improving margins as consumer conditions normalize.
- **Higher input costs remain a key risk for 2027, while expected to remain stable in 4Q26.** For FY27, management highlighted potential pressure from raw materials, energy and freight; while c.70% of corn requirements are already hedged, on other raw materials only 1Q27 needs are hedged, as the company will be opportunistic on prices. Pricing pass through, productivity and regional performance will remain important drivers of profitability to offset some cost pressures, yet **inflation is expected to still hit margins next year.**
- **Management expects annual FCF generation of c.US$400mn, and plans to maintain US$100mn in annual dividends and an active share repurchase program,** with no immediate M&A plans. 2027 Capex is expected at c.US$200mn, focused on additional capacity in Central America (a new mill that could support margins in FY28 onwards), and storage investments in Europe and Australia, while net working capital could remain between US$80-100mn per year as the company continues to prioritize having sufficient corn and wheat. While the balance sheet remains healthy, higher raw material costs, energy and transportation costs could pressure margins into 2027.
- **FY26 margin guidance was revised**, with a less pronounced consolidated contraction despite a weaker U.S. outlook. Management now expects the U.S. EBITDA margin to contract by 250bps, versus the previously guided 200bps, reflecting additional private-label production and continued consumer trading down. At the consolidated level, the expected EBITDA margin contraction was revised to 120bps from 160bps, supported by better performance across the other

subsidiaries. The revised consolidated outlook does not include the US$9mn insurance gain recorded in Central America.

Changes in estimates and 2026E-27E Preview

We are lowering our 4Q26 margin estimates for the U.S. as per updated guidance, which was previously more optimistic vs. previous guidance. We on the other hand raise our margin estimates for the other subsidiaries, all in leading to a still 16.5% consolidated EBITDA margin, a 130bps YoY contraction (in line with guidance accounting for the insurance gain). We are also updating our long-term working capital estimates. **The downward revision to estimates is leading to a lower PT of P$266 (from P$272), while maintaining our Market Perform rating.**

Figure 43: Gruma 2026E and 2027E Preview

Income Statement (US$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 6,487**	**$ 6,465**	**0.3%**	**$ 6,582**	**$ 6,618**	**(0.5%)**
Gross Profit	**$ 2,516**	**$ 2,492**	**1.0%**	**$ 2,526**	**$ 2,546**	**(0.8%)**
Gross Margin	*38.8%*	*38.5%*	*24 bps*	*38.4%*	*38.5%*	*(10 bps)*
Operating Profit	**$ 804**	**$ 794**	**1.3%**	**$ 768**	**$ 791**	**(3.0%)**
Operating Margin	*12.4%*	*12.3%*	*11 bps*	*11.7%*	*12.0%*	*(29 bps)*
EBITDA	**$ 1,066**	**$ 1,064**	**0.2%**	**$ 1,036**	**$ 1,065**	**(2.7%)**
EBITDA Margin	*16.4%*	*16.5%*	*(2 bps)*	*15.7%*	*16.1%*	*(35 bps)*
Majority Net Profit	**$ 464**	**$ 451**	**2.9%**	**$ 441**	**$ 458**	**(3.7%)**
Majority Net Margin	*7.1%*	*7.0%*	*18 bps*	*6.7%*	*6.9%*	*(22 bps)*
EPS (maj.)	**$ 1.40**	**$ 1.34**	**4.2%**	**$ 1.33**	**$ 1.36**	**(2.5%)**
Operating Metrics						
Net Sales Gruma USA	**$ 3,346**	**$ 3,357**	**(0.3%)**	**$ 3,390**	**$ 3,399**	**(0.3%)**
USA EBITDA margin	*19.0%*	*19.6%*	*(58 bps)*	*18.0%*	*19.0%*	*(101 bps)*
Net Sales GIMSA	**$ 1,813**	**$ 1,827**	**(0.8%)**	**$ 1,763**	**$ 1,837**	**(4.0%)**
GIMSA EBITDA margin	*11.0%*	*10.5%*	*50 bps*	*11.0%*	*10.7%*	*31 bps*
Net Sales Gruma Europe	**$ 541**	**$ 548**	**(1.4%)**	**$ 575**	**$ 583**	**(1.4%)**
Net Sales A&O	**$ 312**	**$ 306**	**2.2%**	**$ 329**	**$ 321**	**2.2%**
Net Sales CAM	**$ 421**	**$ 419**	**0.6%**	**$ 472**	**$ 469**	**0.6%**

Source: Company reports, Actinver Research

Sigma post 3Q26; remain Outperform, P$23 PT

Sigma's sales grew c.4% YoY in USD, below our estimates but above consensus. Volume grew 2% YoY, amid healthy performance across all regions, and with average prices growing 2%, mostly due to FX tailwinds in MX. In local currency, however, average prices declined 3%, as Mexico and Europe declines offset increases in the U.S. and LatAm, the former two regions impacted by promotional activity and sales mix, respectively.

From a regional perspective, Mexico posted solid revenue growth of almost 11% YoY, supported by volume growth of 3%, solid across all channels and categories; yoghurt continued to outperform, while lower raw material costs allowed the company to improve packaged meat volumes. **Europe** posted a c.6% decline in sales, while volumes grew 5% YoY; the fresh meats business was a highlight. **U.S.** revenues declined c.2% YoY, impacted by lower volumes (-4% YoY) and despite higher prices and the Roger Wood Foods consolidation; as expected, the soft consumer environment continued to weigh on results. **LatAm** revenues grew c.8%, while volumes grew 1% YoY driven by Peru and Ecuador. **Across regions, performance was mixed vs. our estimates, as sales were in line in Mexico, outperforming in LatAm, and underperforming in Europe and the U.S.**

In terms of margins, the company outperformed our estimates and consensus, starting at the gross profit level. Gross margin expanded 380bps YoY to 33.3%, with raw materials still favorable. **EBITDA margin of 12% represents a solid YoY expansion of 130bps** and was 70bps above our estimates. Mexico and Europe, the largest segments accounting for c.3/4 of total revenues, posted margin expansion, supported by favorable raw material costs, and despite higher fresh meat sales in the latter.

Figure 44: Sigma 3Q26 results review

Income Statement (US$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 2,487**	**$ 2,540**	***(2.1%)***	**$ 2,393**	*3.9%*	**$ 2,428**	*2.4%*
Gross Profit	**$ 828**	**$ 753**	***10.0%***	**$ 707**	*17.1%*	**$ 787**	*5.2%*
Gross Margin	*33.3%*	*29.6%*	*365 bps*	*29.5%*	*375 bps*	*32.4%*	*89 bps*
Operating Profit	**$ 227**	**$ 219**	***3.6%***	**$ 190**	*19.3%*	**$ 217**	*4.6%*
Operating Margin	*9.1%*	*8.6%*	*50 bps*	*8.0%*	*118 bps*	*8.9%*	*19 bps*
EBITDA	**$ 298**	**$ 288**	***3.5%***	**$ 255**	*16.9%*	**$ 290**	*2.8%*
EBITDA Margin	*12.0%*	*11.3%*	*65 bps*	*10.7%*	*133 bps*	*11.9%*	*4 bps*
Majority Net Profit	**$ 108**	**$ 94**	***15.0%***	**$ 92**	*16.9%*	**$ 84**	*27.6%*
Majority Net Margin	*4.3%*	*3.7%*	*64 bps*	*3.9%*	*48 bps*	*3.5%*	*86 bps*
EPS (maj.)	**$ 0.02**	**$ 0.02**	***15.0%***	**$ 0.07**	*(72.8%)*	**$ 0.02**	*27.6%*
Operating Metrics							
MX Sales US$	**$ 1,305**	**$ 1,301**	***0.3%***	**$ 1,178**	*10.8%*	**$ 1,266**	*3.1%*
Mexico EBITDA margin	*16.0%*	*15.1%*	*89 bps*	*15.0%*	*99 bps*	*15.7%*	*30 bps*
Europe Sales US$	**$ 592**	**$ 649**	***(8.8%)***	**$ 629**	*(5.9%)*	**$ 571**	*3.7%*
Europe EBITDA margin	*4.7%*	*4.3%*	*41 bps*	*3.0%*	*171 bps*	*4.2%*	*53 bps*
US Sales US$	**$ 420**	**$ 435**	***(3.3%)***	**$ 429**	*(2.1%)*	**$ 428**	*(1.9%)*
US EBITDA margin	*11.2%*	*11.5%*	*(33 bps)*	*10.7%*	*47 bps*	*12.1%*	*(96 bps)*
Latam Sales US$	**$ 170**	**$ 156**	***9.1%***	**$ 157**	*8.3%*	**$ 164**	*3.7%*
Latam EBITDA margin	*7.6%*	*8.4%*	*(73 bps)*	*8.3%*	*(63 bps)*	*9.1%*	*(150 bps)*

Source: Company reports, Actinver Research

Conference call highlights are:

- Strong momentum continued throughout 3Q26, with record quarterly and YTD volume, revenues and comparable EBITDA, leading **management to revise up its FY26 comparable EBITDA guidance to US$1.14bn (from US$1.1bn) amid a positive outlook for the remainder of the year.** Tailwinds include easing raw material prices and favorable FX vs. 2025, partly offset by weaker consumer sentiment and higher energy, plastic and transportation costs. 2026 is on track to be a record year for Sigma Foods.

- **Mexico posted its strongest quarter ever** —the region where Sigma operates at the largest scale and with the highest level of diversification—, highlighting the strength of its consumer-centric business model. Average prices in MXN declined c.1% YoY, while volume grew in both retail and foodservice; we highlight the 5% volume growth in the latter, compared to negative performance of other Consumer companies. Dairy continued to grow above packaged meats, with yoghurt —particularly value-added Greek yoghurt— remaining the main volume driver, supported by category innovation. Meanwhile, lower raw material costs (especially in processed meats) gave packaged meats greater flexibility to improve volume trends, with different dynamics already seen in the category this quarter.

- **Europe reached its highest comparable 3Q EBITDA since 2020, up 50% YoY in EUR,** driven by operational recovery in the Iberian Peninsula and a positive contribution from fresh meats, where the company is capturing temporary commodity-driven benefits until the sale of the business is completed. Revenues in EUR fell 5% due to 9% lower prices, while volume rose 5%, reflecting a mix effect from higher fresh meats sales and lower selling prices in a more commodity-driven market as raw materials decline. In fresh meats, lower prices and higher volumes resulted in a very positive EBITDA for the business. EBITDA per ton increased significantly YoY, with EBITDA margin now closer to pre-Russia-Ukraine war levels; both EBITDA margin and EBITDA per ton have improved consistently since 2022, and management expects this trend to continue in 2027.

- **In the U.S., amid a soft consumer cycle, the focus remains on operational efficiencies** —US$20mn in YTD efficiencies, with EBITDA per ton up 6% YoY to US$536 (vs. US$505 in 3Q25), offsetting a weak consumer environment—; by protecting unit profitability, EBITDA should accelerate when volume recovers. While at the end of 2Q26 management expected better volumes, 3Q saw a sequential decline in consumer sentiment, lower traffic and demand after the summer and a reversal of favorable gas price trends, with Bar-S volumes over-indexing within cost-sensitive population. **As gas prices hit both consumers' budgets and Sigma's freight costs,** the company opted not to raise prices to incentivize volumes. **For 4Q26, management expects a similar consumer backdrop, freight to remain elevated and incremental marketing investments to promote volume, all included in the new FY26 guidance.** The U.S. remains a key component of long-term growth.

- **LatAm** achieved record 3Q volume, driven by strong demand in Peru and Ecuador, while volumes in the Dominican Republic and Costa Rica were lower.

- **Raw materials and pricing strategy:** prices across Mexico and the U.S. have remained flat or slightly decreasing. In the U.S., lower raw material costs helped mitigate higher logistics and freight costs from gas prices, so the company has not raised prices as much to incentivize volumes while protecting margins, and will continue with this strategy as long as raw materials remain at these levels. Management aims for medium- and long-term growth while maintaining EBITDA per ton: i) if raw materials rise, it can increase prices to maintain EBITDA per ton; and ii) if they fall, it can use that room to drive volume growth.

- **Capital allocation:** c.70% of YTD capex was allocated to strategic projects: i) capacity recovery in Spain, ii) global digital transformation, and iii) capacity expansions in Mexico (cooked and dry meats). Shortly after quarter-end, Sigma paid the second dividend installment (US$75mn), bringing 2026 dividends to US$150mn, up 26% YoY; dividends will remain the focus of shareholder returns going forward.

- **Initial 2027 outlook:** in the Americas, management expects a weaker MXN vs. the YTD average of MXN17.4/US$ and a supportive raw material environment, particularly in 1H27, given an easy comp base, as most raw materials (e.g., turkey and pork) started to decrease this year. Strategic inventories of key raw materials have decreased as prices fell, and the company would build them more strategically to hedge if prices are expected to rise. Gas and oil price volatility is expected to continue impacting raw materials, packaging and freight through 4Q26 and possibly 1H27, which will be considered in FY27 guidance. The Mexico operation hedges USD-denominated raw materials three months in advance through a rolling forward program, which it has done all year and will continue amid recent MXN fluctuations. In the U.S., focus will be on volume recovery initiatives while building on efficiency gains. In Europe, the Valencia plant start-up is expected, and FY27 will be the first year with a higher focus on branded products following the sale of the fresh meats business. FY27 guidance will be provided with 4Q26 results.

- **Long-term growth drivers to double the business over the next decade:** i) continue growing the core business in the Americas, mainly Mexico and the U.S.; ii) keep working on profitability in Europe, including the fresh meats business restructuring; and iii) snacking, a category growing significantly worldwide, where Sigma plans to expand and invest more.

Changes in estimates and 2026E-27E Preview

We are adjusting our estimates to reflect a more cautious sales environment, especially amid lower FX tailwinds from the Mexican operations, and its subsequent impact on margin mix, while taking a better view, as we slightly raise our margin estimates in the company's largest regions, especially in Mexico. We leave our FY26 EBITDA estimate almost unchanged, in line with updated guidance of US$1.14bn, which given the lower sales estimate now represents an 11.7% EBITDA margin (11.4% previously). For next year, we adjust our estimates with a similar trend in sales and margins. **All in, we reiterate our P$23 PT and Outperform rating.**

Figure 45: Sigma 2026E and 2027E Preview

Income Statement (US$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 9,754**	$ 9,899	*(1.5%)*	**$ 9,910**	$ 10,132	*(2.2%)*
Gross Profit	**$ 3,119**	$ 3,075	*1.4%*	**$ 3,180**	$ 3,157	*0.7%*
Gross Margin	*32.0%*	*31.1%*	*91 bps*	*32.1%*	*31.2%*	*93 bps*
Operating Profit	**$ 844**	$ 839	*0.6%*	**$ 854**	$ 862	*(0.9%)*
Operating Margin	*8.7%*	*8.5%*	*18 bps*	*8.6%*	*8.5%*	*11 bps*
EBITDA	**$ 1,137**	$ 1,129	*0.7%*	**$ 1,151**	$ 1,158	*(0.6%)*
EBITDA Margin	*11.7%*	*11.4%*	*25 bps*	*11.6%*	*11.4%*	*18 bps*
Majority Net Profit	**$ 284**	$ 276	*3.1%*	**$ 332**	$ 313	*6.1%*
Majority Net Margin	*2.9%*	*2.8%*	*13 bps*	*3.3%*	*3.1%*	*26 bps*
EPS (maj.)	**$ 0.05**	$ 0.05	*3.1%*	**$ 0.06**	$ 0.06	*6.1%*
Operating Metrics						
MX Sales US$	**$ 5,101**	$ 5,114	*(0.3%)*	**$ 4,978**	$ 5,100	*(2.4%)*
Mexico EBITDA margin	*15.1%*	*14.7%*	*36 bps*	*15.2%*	*14.8%*	*35 bps*
Europe Sales US$	**$ 2,347**	$ 2,465	*(4.8%)*	**$ 2,561**	$ 2,667	*(4.0%)*
Europe EBITDA margin	*5.1%*	*5.1%*	*8 bps*	*5.5%*	*5.4%*	*8 bps*
US Sales US$	**$ 1,636**	$ 1,654	*(1.1%)*	**$ 1,677**	$ 1,699	*(1.3%)*
US EBITDA margin	*11.5%*	*11.6%*	*(10 bps)*	*11.6%*	*11.7%*	*(10 bps)*
Latam Sales US$	**$ 667**	$ 653	*2.2%*	**$ 695**	$ 665	*4.5%*
Latam EBITDA margin	*8.5%*	*8.7%*	*(17 bps)*	*8.6%*	*8.8%*	*(18 bps)*

Source: Company reports, Actinver Research

Health & Personal Care

Genomma Lab post 3Q26: remain Outperform, PT up to P$17 (from P$16)

Revenues of P$4.5bn were 1.3% higher YoY, vs. our contraction estimates. Mexico sales contracted 2.4% YoY and were in line with our estimates, yet continued on a recovery path, as sell-out was back on positive growth, and the company continued to keep or grow market share across its business units despite the soft consumer environment. **LatAm** was the only region with solid growth (12.2%). **The U.S.** meanwhile posted another quarter of heavy contraction at 30.5% YoY, partially driven by FX headwinds and still impacted by the U.S. Hispanic retail market. **From a category standpoint,** Beverages and Infant Nutrition accelerated their growth rates (34-59%), while OTC and Personal Care declined 5-10% YoY. On Suerox, new launches and pricing strategies seem to be yielding solid results, as the category now accounts for slightly over 15% of total sales, vs. 10% a year ago.

Contrary to previous quarters, margin contraction started at the gross margin level. Gross margin contracted 240bps YoY amid destruction of returned products in the U.S. and higher promotional investment, while Mexican operations fully absorbed the IEPS impact. EBITDA margin of 21%, slightly below our estimates and a more upbeat consensus, further reflected promotional activity and commercial spending. **By region,** Mexico posted a 700bps YoY EBITDA margin contraction, reaching 20%, amid upfront investment for another quarter. LatAm was again the only region with EBITDA margin expansion (+190bps YoY at 23.7%), despite inventory-related disruption in Brazil's traditional channel. U.S. EBITDA margin contracted 490bps YoY, closing at 8.6%, impacted by weaker operating leverage and the destruction of returned products.

Figure 46: LAB 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 4,498**	**$ 4,221**	***6.6%***	**$ 4,441**	*1.3%*	**$ 4,397**	*2.3%*
Gross Profit	**$ 2,762**	**$ 2,670**	***3.5%***	**$ 2,836**	***(2.6%)***	**$ 2,839**	***(2.7%)***
Gross Margin	*61.4%*	*63.3%*	*(184 bps)*	*63.9%*	*(244 bps)*	*64.6%*	*(314 bps)*
Operating Profit	**$ 864**	**$ 818**	***5.5%***	**$ 968**	***(10.8%)***	**$ 877**	***(1.5%)***
Operating Margin	*19.2%*	*19.4%*	*(19 bps)*	*21.8%*	*(259 bps)*	*19.9%*	*(75 bps)*
EBITDA	**$ 945**	**$ 900**	***5.0%***	**$ 1,054**	***(10.3%)***	**$ 959**	***(1.4%)***
EBITDA Margin	*21.0%*	*21.3%*	*(31 bps)*	*23.7%*	*(271 bps)*	*21.8%*	*(79 bps)*
Majority Net Profit	**$ 515**	**$ 297**	***73.4%***	**$ 434**	***18.6%***	**$ 374**	***37.5%***
Majority Net Margin	*11.4%*	*7.0%*	*441 bps*	*9.8%*	*168 bps*	*8.5%*	*293 bps*
EPS (maj.)	**$ 0.51**	**$ 0.30**	***73.4%***	**$ 0.43**	***18.6%***	**$ 0.37**	***37.5%***
Operating Metrics							
Mexico Sales	$ 2,182	$ 2,181	*0.0%*	$ 2,235	*(2.4%)*	$ 2,074	*5.2%*
LatAm Sales	$ 2,055	$ 1,755	*17.1%*	$ 1,832	*12.2%*	$ 1,989	*3.3%*
U.S. Sales	$ 261	$ 285	*(8.5%)*	$ 375	*(30.5%)*	$ 334	*(21.9%)*

Source: Company reports, Actinver Research

Conference call highlights are:

- **Mexico continues to post sequential improvement, with the recovery plan working as expected.** Sell-in and sell-out (back to growth and improving MoM) trends are improving, with Suerox recovering market share. The brand reached a record 12.6% value share at the leading retailer, supporting Mexico's improving sell-out performance and reinforcing the contribution of innovation to the company's commercial strategy. Additionally, the company has been improving the product's profitability amid better productivity, with COGS now 21% lower vs. 2021 levels, despite inflation. All in, all categories except Isotonic beverages posted sell-out growth above the different categories.
- **Within South America,** Brazil sell-in is expected to normalize in 1Q27, after being impacted by reduced inventory levels ahead of the country's tax reform, as

inventory-related tax credits currently constrain the clients' working capital. In Argentina, meanwhile, Lab continues to gain market share in OTC and beverages.

- **In the U.S.,** sell-out in local currency continues declining, and returned products from past winter season also weighed on margins. The company is working on aligning commercial footprint to stabilize performance and support a gradual recovery; still, the U.S. remains the most challenging market.
- **Profitability remains pressured by commercial investments and external headwinds.** Consolidated EBITDA margin declined 270bps YoY to 21.0%, reflecting higher promotional and commercial spending, Mexico's new tax on non-caloric sweetened beverages that wasn't passed through to consumers via pricing, and U.S. product returns.
- **Consolidated margins are expected to return toward 23–24%.** Management anticipates that commercial and innovation investments will progressively generate returns and support recovery toward historical consolidated margin levels, although the pace will depend on operating performance and the effectiveness of these investments.
- **Management expects Mexico's EBITDA margin** to remain above 20%; however, returning to the previous 27% level remains uncertain. Management expects a gradual improvement over the coming year as the business recovers from recent margin pressure.
- **The cash conversion cycle** increased to 165 days from 129 days in 2Q26, primarily reflecting a planned inventory build in Mexico ahead of the winter season (mostly related to APIs) and new product launches (in OTC and Suerox mineral), alongside a non-cash hyperinflationary accounting effect in Argentina; +15 and +13 days, respectively. Management expects the cycle to decline to approximately 140 days by year-end as inventories are sold through and the Argentine effect normalizes. Operating cash flow increased 12.5% to P$496mn, while free cash flow rose 52% to P$470mn. Net debt/EBITDA stood at 1.4x, and 85% of gross debt was long-term following refinancing initiatives that extended the maturity profile; the company is also working on reducing funding costs.
- **Outlook:** Management remains focused on converting Mexico's improving sell-out trends into sustained sales growth, supported by innovation, promotional investment, stronger in-store execution and traditional-channel expansion. Five new OTC launches and Suerox Mineral are expected to support performance, particularly during the winter season. However, the U.S. recovery remains gradual, while working capital normalization and margin improvement are key priorities. Management expects margins to recover progressively in 2027 as commercial investments gain traction and productivity initiatives help offset inflationary pressures. Additionally and as previously announced, the company will host its Investor Day on December 3 in NYC, while Rodrigo Herrera, the company's founder and Chairman, is set to become interim CEO on January 1, 2027.

Changes in estimates and 2026E-27E Preview

We are updating our estimates to reflect a slightly better view on sales vs. our previous estimates, especially for LatAm. We now sales to decline 0.8% this year, and to grow 2.6% next year (partially due to more favorable FX), followed by mid-single-digit growth in coming years as FX becomes less of a headwind. For the long run, we continue to forecast EBITDA margins within the 23-24% range, yet remaining at below 22% in the short-to-medium term, in line with our previous estimates. Besides the better view on sales, we also lower our cost of debt estimate. **We reiterate our Outperform rating, while raising our PT to P$17 (from P$16).**

Figure 47: LAB 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 17,396**	$ 16,879	**3.1%**	**$ 17,842**	**$ 17,133**	**4.1%**
Gross Profit	**$ 10,910**	$ 10,670	**2.2%**	**$ 11,266**	**$ 10,902**	**3.3%**
Gross Margin	*62.7%*	*63.2%*	*(50 bps)*	*63.1%*	*63.6%*	*(49 bps)*
Operating Profit	**$ 3,429**	$ 3,339	**2.7%**	**$ 3,468**	**$ 3,340**	**3.8%**
Operating Margin	*19.7%*	*19.8%*	*(7 bps)*	*19.4%*	*19.5%*	*(6 bps)*
EBITDA	**$ 3,766**	$ 3,671	**2.6%**	**$ 3,814**	**$ 3,678**	**3.7%**
EBITDA Margin	*21.6%*	*21.7%*	*(10 bps)*	*21.4%*	*21.5%*	*(9 bps)*
Majority Net Profit	**$ 1,842**	$ 1,515	**21.6%**	**$ 1,722**	**$ 1,581**	**8.9%**
Majority Net Margin	*10.6%*	*9.0%*	*161 bps*	*9.6%*	*9.2%*	*42 bps*
EPS (maj.)	**$ 1.84**	$ 1.51	**21.6%**	**$ 1.72**	**$ 1.58**	**8.9%**
Operating Metrics						
Mexico Sales	$ 8,119	$ 8,118	*0.0%*	$ 8,624	$ 8,623	*0.0%*
LatAm Sales	$ 8,065	$ 7,508	*7.4%*	$ 8,063	$ 7,304	*10.4%*
U.S. Sales	$ 1,212	$ 1,253	*(3.3%)*	$ 1,156	$ 1,206	*(4.1%)*

Source: Company reports, Actinver Research

Kimberly-Clark de Mexico post 3Q26: remain Market Perform, PT down to P$41 (from P$42)

Revenues of P$13.4bn were flattish YoY, 2.7% below our estimates. Consumer Products grew 2% during the quarter (yet below our estimates), while AFH and exports decreased 5% and 15%, respectively, the latter driven by lower hard roll sales and FX headwinds.

Margins were resilient enough to reach an expansion YoY, yet also below our more upbeat estimates. Margin expansion started at the gross profit level, with a solid 160bps YoY expansion, reaching a 40.3% margin. Fiber prices were better YoY, while resins and SAM were headwinds; FX was again a tailwind, 8% lower YoY. Meanwhile, the company's cost-reduction program reached P$450mn in savings during the quarter. EBIT and EBITDA margins were on average 50bps higher YoY, yet below our estimates; EBITDA margin of 25.5% was still within the company's 25-27% target range, despite the weak top line.

Figure 48: KCM 3Q26 and 2026 review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 13,362**	**$ 13,728**	**(2.7%)**	**$ 13,410**	**(0.4%)**	**$ 14,448**	**(7.5%)**
Gross Profit	**$ 5,384**	**$ 5,534**	**(2.7%)**	**$ 5,192**	**3.7%**	**$ 6,016**	**(10.5%)**
Gross Margin	*40.3%*	*40.3%*	*(2 bps)*	*38.7%*	*158 bps*	*41.6%*	*(135 bps)*
Operating Profit	**$ 2,920**	**$ 3,075**	**(5.0%)**	**$ 2,853**	**2.3%**	**$ 3,419**	**(14.6%)**
Operating Margin	*21.9%*	*22.4%*	*(55 bps)*	*21.3%*	*57 bps*	*23.7%*	*(181 bps)*
EBITDA	**$ 3,410**	**$ 3,547**	**(3.9%)**	**$ 3,355**	**1.6%**	**$ 3,912**	**(12.8%)**
EBITDA Margin	*25.5%*	*25.8%*	*(32 bps)*	*25.0%*	*50 bps*	*27.1%*	*(156 bps)*
Majority Net Profit	**$ 1,676**	**$ 1,806**	**(7.2%)**	**$ 1,681**	**(0.3%)**	**$ 2,034**	**(17.6%)**
Majority Net Margin	*12.5%*	*13.2%*	*(61 bps)*	*12.5%*	*1 bps*	*14.1%*	*(154 bps)*
EPS (maj.)	**$ 0.56**	**$ 0.60**	**(7.0%)**	**$ 0.56**	**0.8%**	**$ 0.68**	**(17.4%)**
Segment sales							
Total Consumer	**$ 12,329**	**$ 12,613**	**(2.2%)**	**$ 12,198**	**1.1%**	**$ 13,314**	**(7.4%)**
Exports	**$ 1,033**	**$ 1,115**	**(7.4%)**	**$ 1,212**	**(14.8%)**	**$ 1,134**	**(8.9%)**

Source: Bloomberg, Actinver Research

Conference call highlights are:

- **Consumer products' growth of 1.8%** was driven by balanced volume and price/mix contribution. During the quarter, the company saw a more aggressive stance from competitors throughout the promotional season, while KCM continues to protect value of its categories. A pricing strategy in specific categories, channels, and even SKUs, could be implemented if needed, amid raw materials pressures.
- **The company has been participating in the private label segment,** with sales expected to double in 2026 and repeat the positive performance in 2027, supported by new client agreements and category growth.
- **Meanwhile, AFH has been improving,** particularly in September, a trend that is expected to continue in 4Q, correlated with improving economic conditions.
- **On costs,** while cost pressure started in 2Q26, 3Q26 results faced a lag; previously, the company was expecting these headwinds to subside, yet the current geopolitical landscape could lead to continued pressures in 4Q26. **A weaker MXN (vs. the USD) could represent an additional headwind on profitability.** Still, the company maintained its long-term EBITDA margin target of 25-27%.
- **The P$450mn cost savings** were driven by fiber contracting initiatives, changes in sourcing, and introduction of new raw materials, along with improving raw materials, and logistics and distribution efficiencies. Therefore, procurement, logistics, product design and manufacturing contributed to efficiencies.

- **For the rest of the year,** the company expects weak consumer demand, with retailers thus very cautious on inventories after a tough promotional season, also potentially impacting the beginning of FY27. Therefore, mix improvement is essential, while AFH continues to improve results.

- **For FY27,** the company expects an economic recovery to lead to better performance, while being more cautious on costs amid higher labor costs, along with expected impact in transportation, resins and derivative costs. In the meantime, the company remains focused on generating strong consumer engagement, improving commercial execution, growth in private label, and categories for future growth such as pet food. FY26 Capex is expected to remain in line with guidance of US$100-110mn range, with investments focused on productivity, cost efficiencies, and innovation in some categories, such as diapers, adult care and feminine care.

Changes in estimates and 2026E-27E Preview

We are taking a more cautious stance on sales and margins going forward, slightly cutting our estimates for the rest of the year and FY27. We now forecast sales growth of 1.8% and 3.7% for FY26-27, respectively, along with 80bps EBITDA margin expansion and 40bps margin contraction, respectively, the former mostly supported by 1H26 expansion. Still, despite headwinds, we continue to forecast EBITDA margin to stick within the 25-27% range.

Going forward, FX is expected to be less of a tailwind, potentially a headwind, and some raw materials could face an upward trend, with limited pricing opportunities amid harsh competition in some categories; innovation will thus be key to protect market share. We thus reiterate our Market Perform rating while slightly lowering our PT to P$41 (from P$42).

Figure 49: KCM 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 56,382**	$ 56,860	***(0.8%)***	**$ 58,550**	$ 59,332	***(1.3%)***
Gross Profit	**$ 23,054**	$ 23,250	***(0.8%)***	**$ 23,662**	$ 24,237	***(2.4%)***
Gross Margin	*40.9%*	*40.9%*	*(0 bps)*	*40.4%*	*40.8%*	*(44 bps)*
Operating Profit	**$ 12,945**	$ 13,126	***(1.4%)***	**$ 13,221**	$ 13,677	***(3.3%)***
Operating Margin	*23.0%*	*23.1%*	*(13 bps)*	*22.6%*	*23.1%*	*(47 bps)*
EBITDA	**$ 14,847**	$ 15,013	***(1.1%)***	**$ 15,195**	$ 15,646	***(2.9%)***
EBITDA Margin	*26.3%*	*26.4%*	*(7 bps)*	*26.0%*	*26.4%*	*(42 bps)*
Majority Net Profit	**$ 7,729**	$ 7,829	***(1.3%)***	**$ 8,068**	$ 8,340	***(3.3%)***
Majority Net Margin	*13.7%*	*13.8%*	*(6 bps)*	*13.8%*	*14.1%*	*(28 bps)*
EPS (maj.)	**$ 2.59**	$ 2.62	***(1.1%)***	**$ 2.71**	$ 2.79	***(3.1%)***
Segment sales						
Total Consumer	**$ 51,992**	$ 52,404	***(0.8%)***	**$ 53,977**	$ 54,779	***(1.5%)***
Exports	**$ 4,390**	$ 4,456	***(1.5%)***	**$ 4,574**	$ 4,553	***0.4%***

Source: Company reports, Actinver Research

Supermarkets

Chedraui post 3Q26: downgrade to Underperform (from Market Perform), PT up to P$106 (from P$97)

Sales of P$70.4bn were fairly in line with our estimates but slightly below consensus. Both SSS in Mexico and the U.S. performed below expectations, closing -0.7% and -2% YoY, respectively, the former almost in line with ANTAD's -0.6%. As expected, the soft consumer environment, especially in the Southeast of **Mexico**, where they are more exposed, continues to drag results. The Supercito format continues to outperform, and SSS performance was driven by 1.1% ticket growth and -1.8% traffic. Sales growth of 4.6% in MX was in line with our estimates. All in, weak SSS in MX were the lowest in over a decade, also accounting for 2-year comps. In the **U.S.**, both Hispanic brands El Super and Fiesta continued to underperform amid lower traffic, yet we highlight that Smart & Final SSS turned slightly positive at 0.1%, amid more stable traffic and higher ticket growth. Sales in the U.S. were in line with our estimates, declining 1.8% YoY in local currency, and 7.9% lower in MXN. Overall, market conditions remain challenging in both countries, especially in the U.S., as expected, with no major catalysts in the short-to-medium term, other than the company facing easier comps ahead, and FX potentially turning more favorable in upcoming quarters.

On a profitability level, margins expanded despite the continuously soft top-line, and were fairly in line with our estimates. Expansion started again at the gross margin level (vs. our slightly expansion estimate), driven by better promotion and inventory management, along with the RCDC efficiencies, and despite logistics cost headwinds. **Consolidated EBITDA margin of 8.7% was 10bps better YoY and vs. our estimates,** as the company continues working on offsetting labor cost headwinds. In Mexico, EBITDA margin of 9.8% was fairly flattish YoY, as expense control initiatives and inventory and promotion management offset higher labor costs, while U.S. EBITDA margin of 7.5% represented a 20bps YoY expansion, as RCDC efficiencies continues to yield results and offset weaker operating leverage. For another quarter, Hispanic formats posted margin contraction, while Smart & Final improved profitability, closing the gap vs. the former.

Figure 50: Chedraui 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 70,356**	**$ 70,079**	***0.4%***	**$ 71,768**	***(2.0%)***	**$ 71,035**	***(1.0%)***
Gross Profit	**$ 17,673**	**$ 17,336**	***1.9%***	**$ 17,646**	*0.2%*	**$ 17,641**	*0.2%*
Gross Margin	*25.1%*	*24.7%*	*38 bps*	*24.6%*	*53 bps*	*24.8%*	*29 bps*
Operating Profit	**$ 3,718**	**$ 3,678**	***1.1%***	**$ 3,745**	***(0.7%)***	**$ 4,017**	***(7.4%)***
Operating Margin	*5.3%*	*5.2%*	*4 bps*	*5.2%*	*7 bps*	*5.7%*	*(37 bps)*
EBITDA	**$ 6,110**	**$ 6,006**	***1.7%***	**$ 6,129**	***(0.3%)***	**$ 6,407**	***(4.6%)***
EBITDA Margin	*8.7%*	*8.6%*	*11 bps*	*8.5%*	*14 bps*	*9.0%*	*(34 bps)*
Majority Net Profit	**$ 1,602**	**$ 1,717**	***(6.7%)***	**$ 1,621**	***(1.2%)***	**$ 1,782**	***(10.1%)***
Majority Net margin	*2.3%*	*2.5%*	*(17 bps)*	*2.3%*	*2 bps*	*2.5%*	*(23 bps)*
EPS (maj.)	**$ 1.66**	**$ 1.78**	***(6.7%)***	**$ 1.68**	***(1.2%)***	**$ 1.85**	***(10.1%)***
Operating Metrics							
Total MX Sales	**$ 35,733**	**$ 35,474**	***0.7%***	**$ 34,162**	*4.6%*	**$ 36,058**	***(0.9%)***
MX SSS YoY	***(0.7%)***	**0.2%**	***(90 bps)***	**2.8%**	***(350 bps)***	**1.3%**	***(200 bps)***
Total Stores Mexico	755	764	*(1.2%)*	618	22.2%	728	*3.7%*
Total U.S. Sales	**$ 34,624**	**$ 34,604**	***0.1%***	**$ 37,606**	***(7.9%)***	**$ 34,977**	***(1.0%)***
U.S. SSS YoY	***(2.0%)***	***(1.0%)***	***(100 bps)***	***(1.9%)***	***(10 bps)***	***(2.3%)***	***30 bps***
Total Stores U.S.	386	386	*0.0%*	384	0.5%	384	*0.5%*

Source: Company reports, Actinver Research

Conference call highlights are:

- **Chedraui's sales depend on the Southeast region of Mexico that accounts for c.42% of revenue,** a region that has been impacted by a decline in tourism due to factors like sargassum, insecurity, and the FX, as well as an overall decrease in consumption

from local residents. Despite these headwinds, Chedraui outperformed ANTAD in 5 of the 7 regions in which it operates, underscoring that the underperformance is concentrated, not broad-based. Supercito continues as Chedraui's most resilient and strongest-performing format, with strong presence in the metropolitan area of Mexico City and in Xalapa/Veracruz, the latter where it has shown the best returns, though management flagged it as a more limited market for further growth going forward.

- **In the U.S.,** El Super-Fiesta's combined EBITDA margin stood at 7.9%, still healthy but down from 8.1% a year ago, while Smart & Final's margin expanded 55 bps to 7.1%. Additionally, some of the improvements are related to self-distribution of many categories that the company was previously buying from a wholesaler.
- **Management was explicit that despite resilient and expanding gross margins, there is no plan to reinvest that margin into more aggressive pricing,** as they consider that the current environment reflects constrained consumer capacity rather than a price-competitiveness gap, meaning further promotions would not necessarily translate into incremental sales.
- **Digital presence continues to improve,** as e-commerce penetration increased 60bps to 4.4% of MX sales and to 3.7% in the U.S.
- **While management did not revisit the FY26 guidance, the company commented that October showed no inflection from the Q3 pattern, consumption in the Southeast remains soft and management said that they are prepared for that dynamic to persist in the same regions through year-end.** Management reiterated its commitment to the 2026 investment plan, with CapEx tracking at 3.4% of sales for the first nine months, modestly above the 2.9% average maintained since 2021 (excluding the Smart & Final acquisition), signaling no pullback in organic growth despite the softer top line.
- **FY27 potential headwinds:** the Mexican tax reform remains under evaluation, with the CFO stating that the company is actively engaging authorities, ANTAD, and its own tax advisors, and has committed to sharing a quantified impact assessment once the analysis is complete. Separately, on the reduction in the work week and minimum wage increases, management stated that the company has been planning accordingly, with no expected decrease in margins or profitability.

Changes in estimates and 2026E-27E Preview

We are adjusting our estimates, with a better sales outlook in the U.S., especially for FY27, given more favorable FX conditions. At the margin level, we also forecast slightly better margins ahead, somewhat limited by weak operating leverage in the short-to-medium term at least, yet at high levels vs. historical figures. At the SSS level, we are below FY26 guidance for both MX and the U.S., while at the margin level we are estimating a 10bps YoY expansion, slightly below guidance (15-35bps). **We remain cautious on growth prospects for both MX and the U.S., while expecting profitability to remain stable, with slight expansion opportunities ahead, as RCDC efficiencies offset a weak operating leverage and labor cost headwinds.** Short-to-medium term outlook remains constrained, in our view, as lackluster macro conditions in both regions where Chedraui operates are expected to linger. We therefore expect Chedraui to underperform peers in MX, with expectedly lower SSS in FY27 despite easier comps. **After these changes, we raise our PT to P$106 (from P$97), while downgrade Chedraui amid the lack of catalysts and lower expected upside potential vs. peers.**

Figure 51: Chedraui 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 287,567**	$ 288,316	***(0.3%)***	**$ 307,271**	$ 305,123	***0.7%***
Gross Profit	**$ 70,321**	$ 70,226	***0.1%***	**$ 75,536**	$ 74,706	***1.1%***
Gross Margin	*24.5%*	*24.4%*	*10 bps*	*24.6%*	*24.5%*	*10 bps*
Operating Profit	**$ 14,886**	$ 14,893	***(0.0%)***	**$ 16,099**	$ 16,255	***(1.0%)***
Operating Margin	*5.2%*	*5.2%*	*1 bps*	*5.2%*	*5.3%*	*(9 bps)*
EBITDA	**$ 24,433**	$ 24,409	***0.1%***	**$ 26,304**	$ 26,327	***(0.1%)***
EBITDA Margin	*8.5%*	*8.5%*	*3 bps*	*8.6%*	*8.6%*	*(7 bps)*
Majority Net Profit	**$ 6,447**	$ 6,594	***(2.2%)***	**$ 8,134**	$ 8,935	***(9.0%)***
Majority Net margin	*2.2%*	*2.3%*	*(4 bps)*	*2.6%*	*2.9%*	*(28 bps)*
EPS (maj.)	**$ 6.69**	$ 6.84	***(2.2%)***	**$ 8.44**	$ 9.27	***(9.0%)***
Operating Metrics						
Total MX Sales	**$ 147,487**	$ 148,334	***(0.6%)***	**$ 157,177**	$ 158,300	***(0.7%)***
MX SSS YoY	**0.7%**	1.6%	***(89 bps)***	**3.4%**	3.4%	***(2 bps)***
Total Stores Mexico	810	822	*(1.5%)*	963	975	*(1.2%)*
Total U.S. Sales	**$ 140,081**	$ 139,982	***0.1%***	**$ 150,094**	$ 146,824	***2.2%***
U.S. SSS YoY	**(2.1%)**	**(1.6%)**	***(52 bps)***	**1.4%**	1.4%	***(5 bps)***
Total Stores U.S.	389	389	*0.0%*	395	394	*0.3%*

Source: Company reports, Actinver Research

La Comer post 3Q26: remain Market Perform, PT down to P$33 (from P$35)

Revenues of P$12.4bn were 4.6% higher YoY yet below our estimates, on the back of weak SSS of 1%. While sales area grew 8.8% YoY, SSS of 1% mark a heavy underperformance considering the company's usually strong numbers; still, ANTAD was worse. From a category perspective, perishables and groceries outperformed, while City Market was also a highlight, along with the Mexico City metro area. This reinforces our view that the K-shaped economy is benefiting some players, yet our optimism on the higher end of the spectrum has softened after the World Cup.

It's also hard to keep margins these days, as slight gross margin expansion (driven by better sales mix and reaching 29.8%) was offset by weaker operating leverage and higher expenses, leading to an EBITDA margin of 9.2%, the weakest 3Q figure in 7 years.

Figure 52: La Comer 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 12,361**	**$ 12,793**	***(3.4%)***	**$ 11,813**	*4.6%*	**$ 12,933**	***(4.4%)***
Gross Profit	**$ 3,683**	**$ 3,816**	***(3.5%)***	**$ 3,506**	*5.0%*	**$ 3,802**	***(3.1%)***
Gross Margin	*29.8%*	*29.8%*	*(4 bps)*	*29.7%*	*11 bps*	*29.4%*	*40 bps*
Operating Profit	**$ 723**	**$ 896**	***(19.3%)***	**$ 839**	***(13.8%)***	**$ 932**	***(22.4%)***
Operating Margin	*5.9%*	*7.0%*	*(115 bps)*	*7.1%*	*(125 bps)*	*7.2%*	*(136 bps)*
EBITDA	**$ 1,132**	**$ 1,329**	***(14.8%)***	**$ 1,251**	***(9.5%)***	**$ 1,331**	***(15.0%)***
EBITDA Margin	*9.2%*	*10.4%*	*(123 bps)*	*10.6%*	*(143 bps)*	*10.3%*	*(113 bps)*
Majority Net Profit	**$ 508**	**$ 676**	***(24.9%)***	**$ 641**	***(20.8%)***	**$ 671**	***(24.4%)***
Majority Net Margin	*4.1%*	*5.3%*	*(118 bps)*	*5.4%*	*(132 bps)*	*5.2%*	*(108 bps)*
EPS (maj.)	**$ 0.47**	**$ 0.62**	***(24.9%)***	**$ 0.59**	***(20.8%)***	**$ 0.62**	***(24.4%)***
Operating Metrics							
SSS YoY	**1.0%**	**2.9%**	***(185 bps)***	**6.2%**	***(520 bps)***	**2.9%**	***(190 bps)***
Total Stores	96	97	*(1.0%)*	90	*6.7%*	94	*2.1%*

Source: Company reports, Actinver Research

Conference call highlights are:

- **SSS grew 1%,** driven by ticket (c.2.3% positive), while traffic was negative.
- **Gross margin expanded 12bps YoY in this quarter, mainly driven by a richer product mix and disciplined pricing.** EBITDA margin declined to 10.3% from 11.1%, due to new store opening and ramp-up costs. While comparable store costs remained controlled and below inflation. Management commented that new stores have 2.2x higher costs yet 23% higher incremental sales.
- **La Comer expects to open two additional stores in 4Q26** (December), bringing total FY26 of 6 openings, in line with guidance.
- **Consumer preferences are shifting toward more differentiated products (e.g., in the Sumesa format), therefore improving sales mix and gross margin.** This, along with inventory management, discipline in logistics costs, and optimization of work hours to mitigate labor cost pressures, can further support performance going forward.

Changes in estimates and 2026E-27E Preview

We are lowering our estimates across the P&L, to reflect the lower-than-expected results. We now forecast SSS of 3.1%, below our previous estimates yet still above Walmex's and Chedraui's. At the margin level, we now forecast FY26 EBITDA margin of 9.9% (a 100bps YoY contraction), and 10.2% next year. After these adjustments, **we reiterate our Market Perform rating, yet lower our PT to P$33 (from P$35).**

Figure 53: La Comer 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 50,615**	$ 51,189	***(1.1%)***	**$ 54,925**	$ 55,846	***(1.6%)***
Gross Profit	**$ 15,227**	$ 15,403	***(1.1%)***	**$ 16,587**	$ 16,882	***(1.7%)***
Gross Margin	*30.1%*	*30.1%*	*(1 bps)*	*30.2%*	*30.2%*	*(3 bps)*
Operating Profit	**$ 3,419**	$ 3,600	***(5.0%)***	**$ 3,878**	$ 3,945	***(1.7%)***
Operating Margin	*6.8%*	*7.0%*	*(28 bps)*	*7.1%*	*7.1%*	*(0 bps)*
EBITDA	**$ 5,023**	$ 5,233	***(4.0%)***	**$ 5,618**	$ 5,726	***(1.9%)***
EBITDA Margin	*9.9%*	*10.2%*	*(30 bps)*	*10.2%*	*10.3%*	*(2 bps)*
Majority Net Profit	**$ 2,547**	$ 2,675	***(4.8%)***	**$ 2,776**	$ 2,825	***(1.8%)***
Majority Net Margin	*5.0%*	*5.2%*	*(19 bps)*	*5.1%*	*5.1%*	*(1 bps)*
EPS (maj.)	**$ 2.35**	$ 2.46	***(4.8%)***	**$ 2.56**	$ 2.60	***(1.8%)***
Operating Metrics						
SSS YoY	**3.1%**	3.5%	***(46 bps)***	**5.4%**	5.4%	***(1 bps)***
Total Stores	98	98	*0.0%*	104	104	*0.0%*

Source: Company reports, Actinver Research

Walmex post 3Q26: remain Market Perform, PT up to P$55 (from P$52)

Sales of P$248.8bn were 3% higher YoY, above our estimates yet below consensus, on the back of better-than-expected growth in CAM, while MX sales were fairly in line with our estimates. Sales grew 3.1% YoY in Mexico and 6% in local currency in CAM, with SSS of 1.7% and 4.8%, respectively. In Mexico, ticket grew 1.6% and traffic was fairly flat (for the first time in the last 9 quarters), while in CAM traffic was the main driver. For another quarter, Bodega Aurrera and Walmart continued to struggle with below-average SSS, while the Metro area underperformed.

On a profitability level, margins contracted less than expected. Gross margin was flat YoY, as higher-margin commerce solutions offset price investments; we highlight the company's retail media business, Walmart Connect, growing revenues 10% YoY. Meanwhile, higher SG&A grew above. sales, as expected, leading to EBIT and EBITDA margin contractions, on average 30bps lower YoY, yet on average 20bps above our estimates. EBITDA margin of 10.2% was an improvement QoQ and vs. our estimates, with CAM posting a flattish YoY margin at 9.2%, and Mexico contracting to 10.4%. (amid higher SG&A expenses and price investments).

Figure 54: Walmex 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 248,828**	**$ 245,585**	***1.3%***	**$ 241,520**	***3.0%***	**$ 250,948**	***(0.8%)***
Gross Profit	**$ 61,555**	**$ 61,050**	***0.8%***	**$ 59,774**	***3.0%***	**$ 60,125**	***2.4%***
Gross Margin	*24.7%*	*24.9%*	*(12 bps)*	*24.7%*	*(1 bps)*	*24.0%*	*78 bps*
Operating Profit	**$ 18,683**	**$ 18,027**	***3.6%***	**$ 19,021**	***(1.8%)***	**$ 17,020**	***9.8%***
Operating Margin	*7.5%*	*7.3%*	*17 bps*	*7.9%*	*(37 bps)*	*6.8%*	*73 bps*
EBITDA	**$ 25,372**	**$ 24,402**	***4.0%***	**$ 25,266**	***0.4%***	**$ 23,641**	***7.3%***
EBITDA Margin	*10.2%*	*9.9%*	*26 bps*	*10.5%*	*(26 bps)*	*9.4%*	*78 bps*
Majority Net Profit	**$ 11,027**	**$ 11,454**	***(3.7%)***	**$ 11,747**	***(6.1%)***	**$ 11,153**	***(1.1%)***
Majority Net Margin	*4.4%*	*4.7%*	*(23 bps)*	*4.9%*	*(43 bps)*	*4.4%*	*(1 bps)*
EPS (maj.)	**$ 0.64**	**$ 0.67**	***(3.5%)***	**$ 0.68**	***(5.4%)***	**$ 0.65**	***(0.9%)***
Operating Metrics							
Total MX Sales	**$ 206,759**	**$ 208,085**	***(0.6%)***	**$ 200,567**	***3.1%***	**$ 209,188**	***(1.2%)***
MX SSS YoY	**1.7%**	**2.3%**	***(60 bps)***	**3.9%**	***(220 bps)***	**1.8%**	***(10 bps)***
Total Stores Mexico	3,389	3,389	*0.0%*	3,214	*5.4%*	3,351	*1.1%*
Total CAM Sales	**$ 42,069**	**$ 37,500**	***12.2%***	**$ 40,953**	***2.7%***	**$ 41,760**	***0.7%***
CAM SSS YoY	**4.8%**	**5.9%**	***(110 bps)***	**0.6%**	***420 bps***	**2.4%**	***240 bps***
Total Stores CAM	957	962	*(0.5%)*	936	*2.2%*	954	*0.3%*

Source: Company reports, Actinver Research

Conference call highlights are:

- **In Mexico,** Sam's and Bodega Aurrerá Express, the North region, and Food & Consumables outperformed. Consumers remain cautious and more selective across discretionary spending, particularly in general merchandise, affecting Bodega Aurrera's larger stores and Walmart Supercenter. Performance was relatively stronger in the North and South, while Valle de México faced tougher competition and greater basket splitting.
- **The company's strategies have led to an improvement of 260bps in price perception YoY,** and 340bps improvement in self-service total availability; inventory accuracy therefore remains highly relevant. The company additionally highlighted its strategy to hold prices for at least 90 days on 4,000 essential products in Bodega Aurrera and Walmart (this format now comprises Walmart Express, which is no longer reported separately, with a more aligned assortment, price parity and a unified operating and marketing proposition).

- **Management expects that assortment transformation will continue through 2027, with an emphasis on relevance and productivity rather than SKU reduction.** Walmex has already defined 55 categories, representing approximately 35% of sales, for implementation in 1Q27. Another 120 categories, accounting for an additional 35% of sales, will be rolled out during 2Q–3Q27, with the transformation expected to be completed by year-end. The initiative seeks to improve assortment relevance by banner and strengthen private labels.
- **Commerce solutions grew approximately 20% YTD, and management expects further growth as retail and marketplace expand.** Additionally, c.80% of products sold are sourced locally, providing some protection against MXN depreciation, while global sourcing (via Walmart) offers additional opportunities to manage costs.
- **In CAM,** performance was solid across all markets, with Costa Rica returning to positive market share performance, yet still lagging with slightly negative SSS vs. above-average performance in other countries.
- **E-commerce** continued to outperform total sales, growing 15.8% in Mexico, with GMV growth of 14.8%, and marketplace growth of 12.2%; CAM posted even higher growth at 23.4% in GMV. The company recently launched Sparky, an AI-powered digital assistant, along with One Hallway for Bodega. E-commerce penetration reached 8.6% of total GMV.
- **Other businesses continued growing solidly,** with Bait growing revenues 26% YoY, reaching 27.6mn, while Walmart Connect grew 10%, with more normalized investment levels of suppliers after the high levels in 1H26.
- **Private labels** continue gaining share (c.100bps), with Sam's Club and Bodega Aurrera Express again leading.
- **Management highlighted the 3 strategic priorities: strengthening their core customer value proposition** (focusing on price, assortment and Fresh, along with improving availability, with the former reaching a 260bps improvement in price perception YoY), **accelerating digital** (with 75% of MX orders delivered the same day, 30% delivered in under 2 hours, and 10% fulfilled in less than one hour), **and sustaining EDLC** (everyday low cost, through automation and productivity, such as the digital shelf labels rollout into more formats, e-commerce fulfillment center automation, and the opening of new automated DCs in Bajio and Tlaxcala). On the latter, the company highlights that these strategies will later help costs and competitiveness.
- **While effective tax rate was higher in 3Q26,** amid non-recurring adjustments. Nonetheless, management expects a normalization in 4Q26, leading to FY26 rate in line with original expectations.
- **FY26 guidance was reiterated,** with sales expected to grow 3.5-4.5% in constant currency, and EBITDA margin to be slightly below last year's. For next year, the company expects a 12% minimum wage increase (along with the 2-hour work schedule reduction), with many strategies in place to try to offset costs, such as supply chain (e.g., smart receiving, lowering days on hand, new distribution center in Bajio), and in-store tech (e.g., digital labels). The company continues working on matching sales growth with SG&A growth, with strategies such as reinvesting in pricing and working on moving fresh customers into higher-value purchasers. Meanwhile, the company expects gross profit to remain stable.

Changes in estimates and 2026E-27E Preview

We are adjusting our estimates to reflect the better-than-expected sales in CAM (especially as Costa Rica keeps improving while other countries post solid growth), while leaving our MX estimates fairly unchanged, with a minor decrease in our FY26 SSS estimate; we now expect 2.1%. At the margin level, we also slightly raise our estimates and now forecast a FY26 EBITDA margin of 10%, with 2Q the only quarter expected to be below that level. **We continue**

below guidance at the top-line level (c.1% same-currency growth vs. 3.5-4.5% guided), while in line at the margin level, as we forecast slight (27bps) EBITDA margin contraction YoY. After updating our forecasts, we reiterate our Market Perform rating and raise our PT to P$55 (from P$52).

Figure 55: Walmex 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 1,042,206**	$ 1,037,000	***0.5%***	**$ 1,134,207**	$ 1,124,340	***0.9%***
Gross Profit	**$ 253,072**	$ 252,112	***0.4%***	**$ 277,807**	$ 275,722	***0.8%***
Gross Margin	*24.3%*	*24.3%*	*(3 bps)*	*24.5%*	*24.5%*	*(3 bps)*
Operating Profit	**$ 77,265**	$ 76,552	***0.9%***	**$ 85,658**	$ 84,593	***1.3%***
Operating Margin	*7.4%*	*7.4%*	*3 bps*	*7.6%*	*7.5%*	*3 bps*
EBITDA	**$ 103,728**	$ 102,641	***1.1%***	**$ 114,496**	$ 112,916	***1.4%***
EBITDA Margin	*10.0%*	*9.9%*	*5 bps*	*10.1%*	*10.0%*	*5 bps*
Majority Net Profit	**$ 49,851**	$ 50,604	***(1.5%)***	**$ 55,486**	$ 54,382	***2.0%***
Majority Net Margin	*4.8%*	*4.9%*	*(10 bps)*	*4.9%*	*4.8%*	*6 bps*
EPS (maj.)	**$ 2.91**	$ 2.94	***(1.0%)***	**$ 3.24**	$ 3.16	***2.5%***
Operating Metrics						
Total MX Sales	**$ 864,759**	$ 868,584	***(0.4%)***	**$ 929,255**	$ 933,517	***(0.5%)***
MX SSS YoY	**2.1%**	2.5%	***(43 bps)***	**5.7%**	5.7%	***0 bps***
Total Stores Mexico	3,460	3,460	*0.0%*	3,685	3,685	*0.0%*
Total CAM Sales	**$ 177,447**	$ 168,416	***5.4%***	**$ 204,952**	$ 190,823	***7.4%***
CAM SSS YoY	**3.2%**	3.5%	***(24 bps)***	**5.2%**	5.2%	***1 bps***
Total Stores CAM	967	972	*(0.5%)*	1,001	1,006	*(0.5%)*

Source: Company reports, Actinver Research

TBBB post 3Q26; remain Outperform, raising PT to US$72 (from US$66)

In the midst of sales deceleration across most retailers, TBBB continues to shine, and the soft consumer deceleration across the industry seems to be out of TBBB's scope, with the company actually benefitting from it. Sales grew 40.3% YoY, 2.5% above our estimates and consensus, amid solid SSS growth of 20.5%. Unit growth further contributed to results, reaching 3,765 stores, with 141 net new stores opened during the quarter, along with 4 new Distribution Centers (reaching 25, with most of the preopening expenses incurred in 2Q). For another quarter, TBBB continues to beat the industry at a top-line and SSS levels, now even reaching higher growth levels in both, and widening the gap vs. peers.

On a profitability level, margins were also above our estimates, despite the distribution centers' openings. Gross margin expansion of 50bps YoY was above our estimates for another quarter, amid better commercial margin and transportation costs. **EBITDA excluding SBP reached P$1,877mn, a 6.6% margin, 80bps higher YoY and 90bps above our estimates.** Reported EBITDA of P$1,327mn was higher than our estimates and YoY. Overall, operating leverage continues to improve amid the solid sales growth, offsetting higher labor costs and opening expenses.

Figure 56: TBBB 3Q26 results review

Income Statement (P$mn)	3Q26A	3Q26E	vs est.	3Q25A	Δ YoY	2Q26A	Δ QoQ
Revenues	**$ 28,445**	**$ 27,759**	***2.5%***	**$ 20,279**	***40.3%***	**$ 26,037**	***9.2%***
Gross Profit	**$ 4,743**	**$ 4,555**	***4.1%***	**$ 3,277**	***44.8%***	**$ 4,362**	***8.7%***
Gross Margin	*16.7%*	*16.4%*	*27 bps*	*16.2%*	*52 bps*	*16.8%*	*(8 bps)*
Operating Profit	**$ 682**	**$ 295**	***131.3%***	**($ 880)**	***(177.5%)***	**$ 352**	***N/A***
Operating Margin	*2.4%*	*1.1%*	*133 bps*	*(4.3%)*	*673 bps*	*1.4%*	*104 bps*
EBITDA	**$ 1,327**	**$ 1,029**	***29.0%***	**($ 404)**	***(428.3%)***	**$ 960**	***38.2%***
EBITDA Margin	*4.7%*	*3.7%*	*96 bps*	*(2.0%)*	*666 bps*	*3.7%*	*98 bps*
Adj. EBITDA (ex. SBP)	**$ 1,877**	**$ 1,582**	***18.6%***	**$ 1,170**	***60.4%***	**$ 1,575**	***19.2%***
Adj. EBITDA Margin	*6.6%*	*5.7%*	*90 bps*	*5.8%*	*83 bps*	*6.0%*	*55 bps*
Majority Net Profit	**$ 23**	**($ 415)**	***N/A***	**($ 1,424)**	***N/A***	**($ 386)**	***N/A***
Majority Net Margin	*0.1%*	*(1.5%)*	*158 bps*	*(7.0%)*	*710 bps*	*(1.5%)*	*157 bps*
EPS (maj.)	**$ 0.18**	**($ 3.42)**	***N/A***	**($ 12.41)**	***N/A***	**($ 3.19)**	***N/A***
Operating Metrics							
SSS YoY	**20.5%**	**18.9%**	***160 bps***	**17.9%**	***260 bps***	**20.0%**	***50 bps***
Total Stores	3,765	3,772	*-0.2%*	3,162	*19.1%*	3624	*3.9%*

Source: Company reports, Actinver Research

Conference call highlights are:

- **SSS growth continues to be primarily volume-driven, supported by higher customer traffic and an expanding average basket.** Approximately 2/3 of SSS growth comes from volume, while the remaining contribution is mostly explained by product mix rather than inflation, as internal inflation remains close to zero. Average items per transaction have increased to 4–5 from 2–3 at the time of the IPO, reflecting customers purchasing a broader range of products as the company's value proposition improves. Management also highlighted solid performance across categories, particularly frozen, cosmetics, and dairy.

- **Management remains confident in its growth outlook, with store expansion continuing to drive scale and improve operating efficiency.** The company maintained its FY26 guidance of 590–630 openings, highlighting a healthy pipeline and expecting a stronger pace of openings in 4Q26, consistent with historical seasonality. Newer store vintages continue to outperform previous generations, starting with higher sales and ramping up faster, supported by stronger brand recognition and an increasingly attractive value proposition.

- **Logistics remains an important source of future efficiency gains, particularly through transportation optimization and shorter distribution distances as the company opens more distribution centers.** Management sees significant room to improve transportation costs, with additional initiatives expected to become more visible in 2027; preopening expenses are also expected to improve, particularly in distribution centers. Additionally, the company highlighted that commercial margins are expected to continue improving as the scale of operations continues to grow.

- **TBBB maintains a disciplined assortment strategy, prioritizing high product rotation and value for money vs. SKU expansion**. The company sells c.900 SKUs per store, and runs 60–80 pilots at any given time across different categories, and front and back office.

- **The company's structurally negative working capital model continues to support self-funded expansion.** Adjusted negative working capital reached P$10.8bn as of September 2026, compared with P$7.8bn in 2025, excluding IPO and follow-on proceeds.

Changes in estimates and 2026E-27E Preview

We are raising our estimates after the solid quarterly performance; TBBB remains one of the very few Consumer companies with upside potential vs. FY27 guidance. We now forecast SSS of 18.9% for FY26, and Adj. EBITDA margin ex. SBP of 5.8%. After accounting for potential dilution, we continue to see solid upside potential, with investors highly rewarding the company's growth performance (and the subsequent improving profitability despite not being a company's goal), reflected in the strong YTD stock performance (94% vs. 12.5% of the S&P500 and 9.7% of the MEXBOL in local currency as of 11/4/26). **After updating our forecasts, we reiterate our Outperform rating while raising our PT to US$72 (from US$66).**

Figure 57: TBBB 2026E and 2027E Preview

Income Statement (P$mn)	2026E	2026E (prev)	Δ in est.	2027E	2027E (prev)	Δ in est.
Revenues	**$ 107,381**	**$ 106,224**	***1.1%***	**$ 142,089**	**$ 139,653**	***1.7%***
Gross Profit	**$ 17,809**	**$ 17,542**	***1.5%***	**$ 23,859**	**$ 23,351**	***2.2%***
Gross Margin	*16.6%*	*16.5%*	*7 bps*	*16.8%*	*16.7%*	*7 bps*
Operating Profit	**$ 1,372**	**$ 862**	***59.3%***	**$ 2,748**	**$ 2,046**	***34.3%***
Operating Margin	*1.3%*	*0.8%*	*47 bps*	*1.9%*	*1.5%*	*47 bps*
EBITDA	**$ 3,881**	**$ 3,567**	***8.8%***	**$ 6,649**	**$ 6,175**	***7.7%***
EBITDA Margin	*3.6%*	*3.4%*	*26 bps*	*4.7%*	*4.4%*	*26 bps*
Adj. EBITDA (ex. SBP)	**$ 6,257**	**$ 5,946**	***5.2%***	**$ 9,286**	**$ 7,937**	***17.0%***
Adj. EBITDA Margin	*5.8%*	*5.6%*	*23 bps*	*6.5%*	*5.7%*	*85 bps*
Majority Net Profit	**($ 1,379)**	**($ 1,894)**	***N/A***	**($ 1,234)**	**($ 1,493)**	***N/A***
Majority Net Margin	*(1.3%)*	*(1.8%)*	*50 bps*	*(0.9%)*	*(1.1%)*	*20 bps*
EPS (maj.)	**($ 10.90)**	**($ 15.63)**	***N/A***	**($ 9.75)**	**($ 12.32)**	***N/A***
Operating Metrics						
SSS YoY	**18.9%**	**18.3%**	***56 bps***	**15.0%**	**15.0%**	***0 bps***
Total Stores	3,936	3,937	*(0.0%)*	4,589	4,590	*(0.0%)*

Source: Company reports, Actinver Research

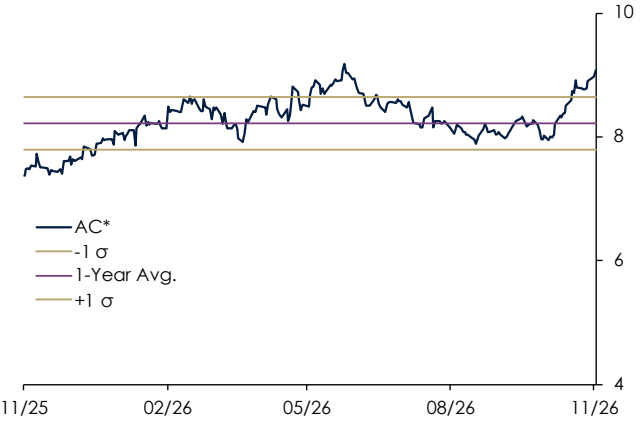
Valuation: Methodologies, Key Assumptions

Figure 58: AC Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

Figure 59: AC EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

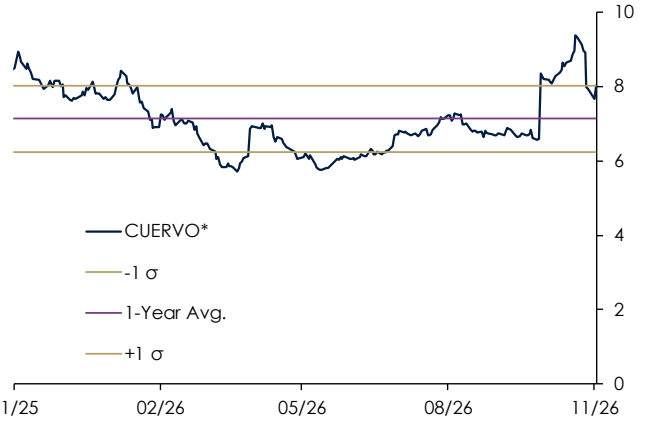
Our **Arca** Continental PT of P$250 is derived from a DCF calculation, using a 10.9% WACC — we use a 7.5% cost of debt, an effective tax rate of 32.0%, a cost of equity of 13.2%, and a D/E ratio of 0.4—.

Figure 60: Becle Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

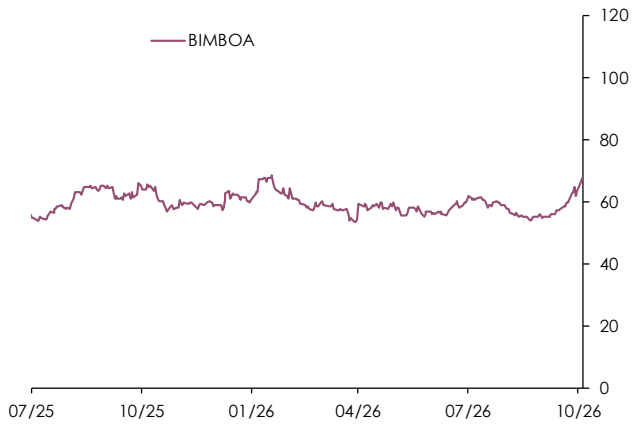
Figure 61: Becle EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

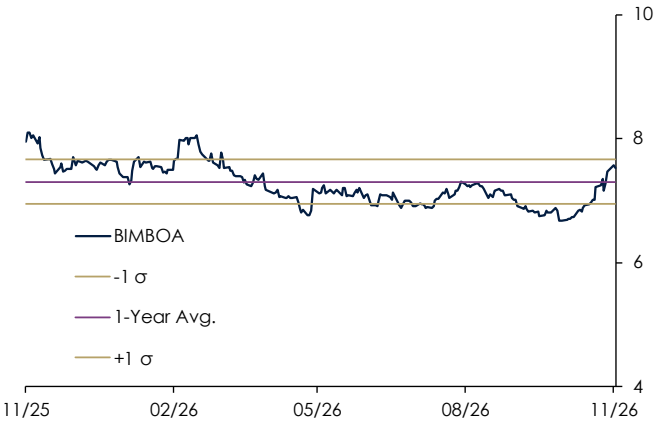
Our **Becle** PT of P$15 is derived from a DCF calculation, using an 9.2% WACC —we use a 7% cost of debt, an effective tax rate of 24.1%, a cost of equity of 10.3%, and a D/E ratio of 0.3.

Figure 62: Bimbo Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

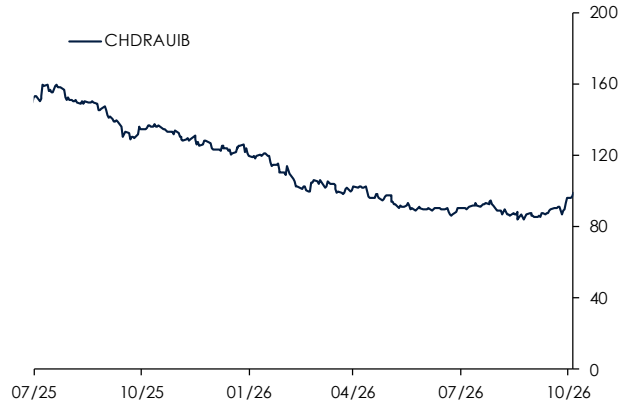
Figure 63: Bimbo EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

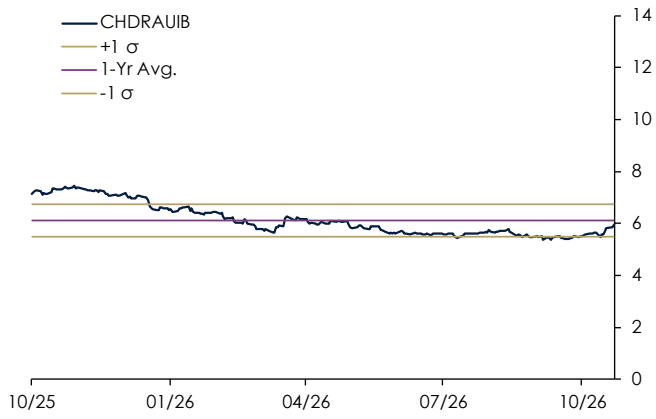
Our **Bimbo** PT of P$80 is derived from a DCF calculation, using a 9.4% WACC —we use an 8.8% cost of debt, an effective tax rate of 34%, a cost of equity of 13.0%, and a D/E ratio of 1.0—.

Figure 64: Chedraui Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

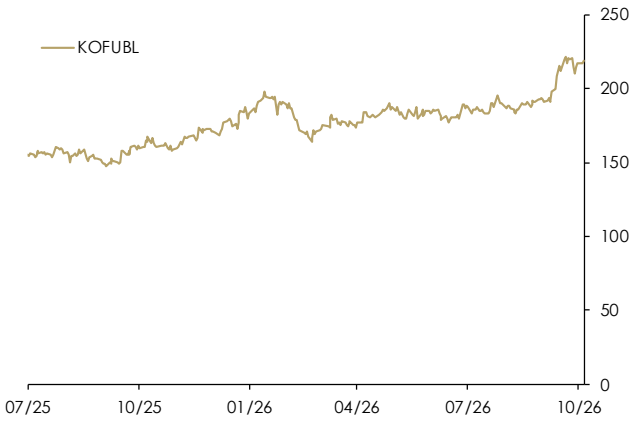
Figure 65: Chedraui EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

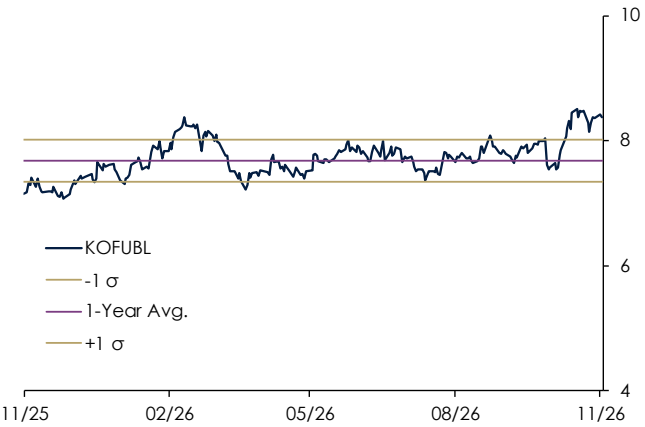
Our **Chedraui** PT (P$106) is derived from a DCF calculation, using an 11.5% WACC —we use a 12% cost of debt, an effective tax rate of 31.8%, a cost of equity of 11.8%, and a D/E ratio of 0.1—, accounting for the company's operations geographic breakdown.

Figure 66: KOF Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

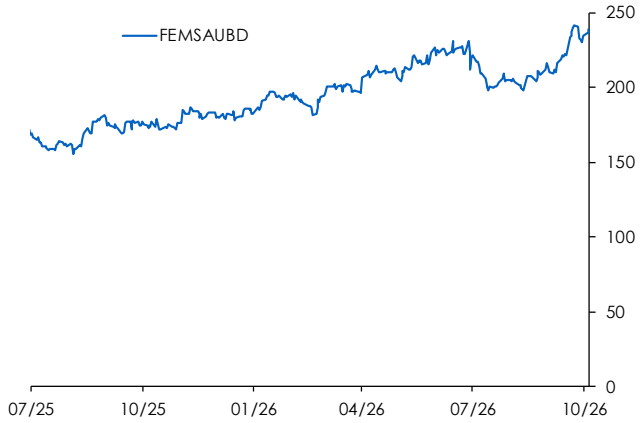
Figure 67: KOF EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

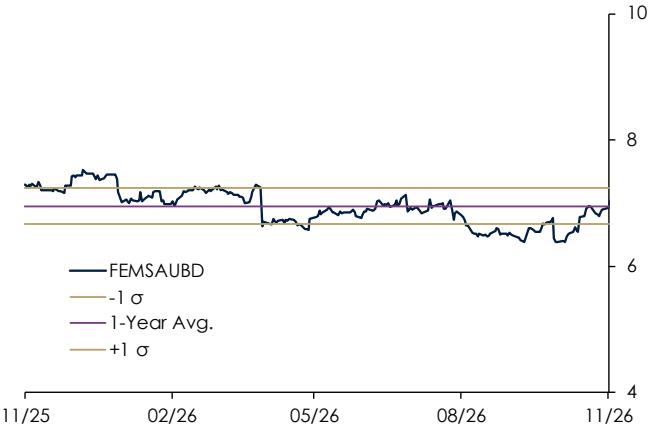
Our **Coca-Cola FEMSA** PT of P$230 is derived from a DCF calculation, using a 13.1% WACC —-we use an 8.5% cost of debt, an effective tax rate of 29.6%, a cost of equity of 16.6%, and a D/E ratio of 0.5—.

Figure 68: FEMSA Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

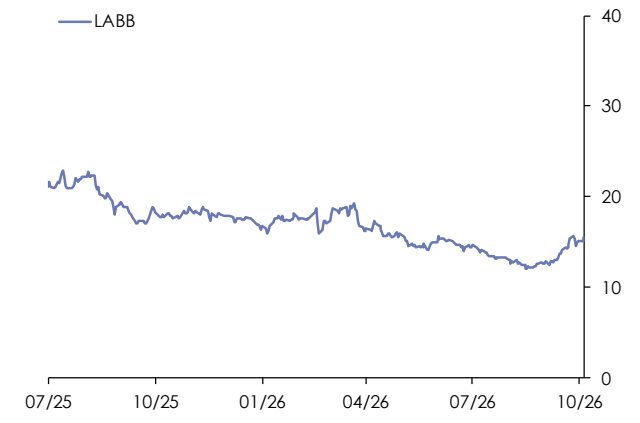
Figure 69: FEMSA EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

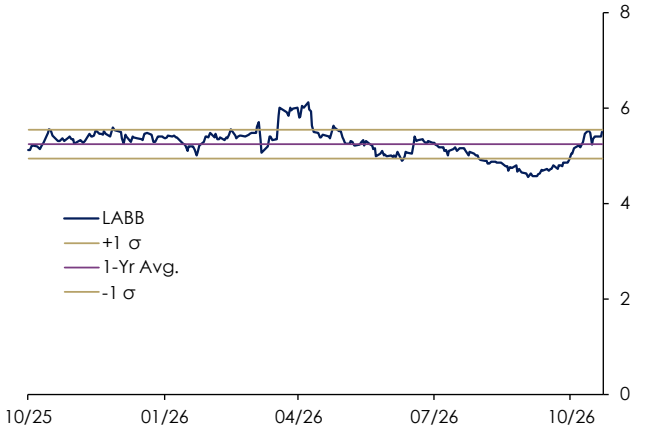
Our **FEMSA** of P$248 is derived from a DCF and SOTP calculation, using a 12.0% WACC —-we use an 8.5% cost of debt, an effective tax rate of 36.7%, a cost of equity of 13.9%, and a D/E ratio of 0.3—.

Figure 70: LAB Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

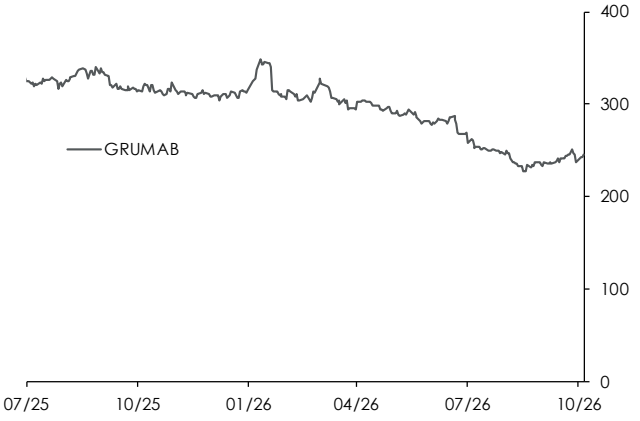
Figure 71: LAB EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

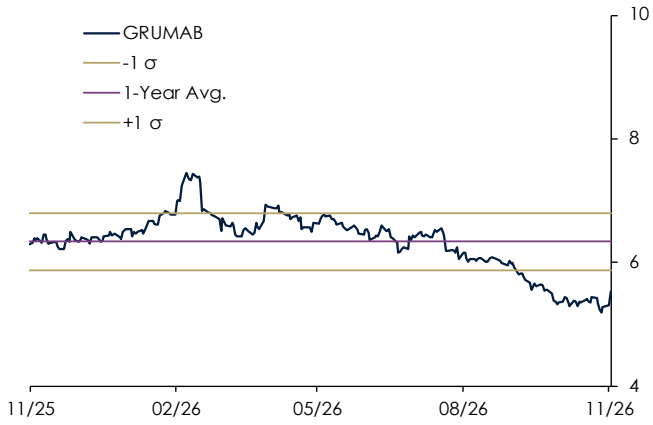
Our **Genomma Lab** PT (P$17) is derived from a DCF calculation, using a 15.1% WACC —we use a 10% cost of debt, effective tax rate of 33%, cost of Equity of 19.1%, and D/E of 0.5—.

Figure 72: Gruma Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

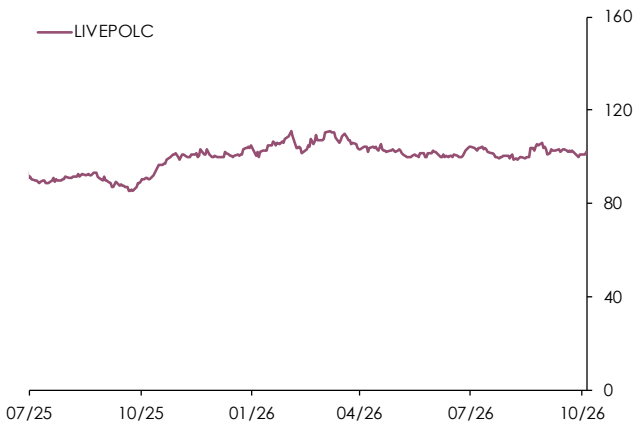
Figure 73: Gruma EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

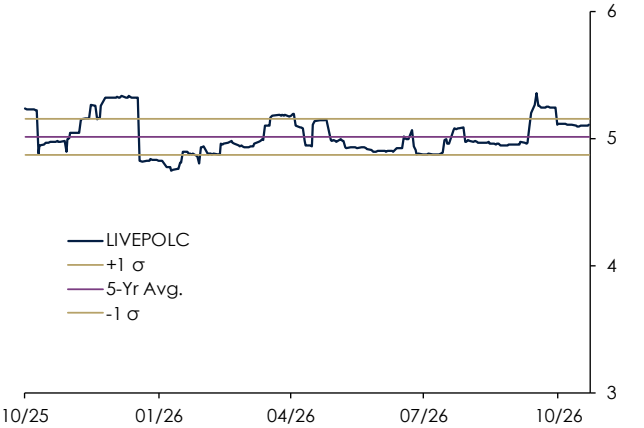
Our **Gruma** PT of P$266 is derived from a DCF calculation, using a 9.2% WACC —-we use a 9% cost of debt, an effective tax rate of 32.0%, a cost of equity of 10.5%, and a D/E ratio of 0.4—
.

Figure 74: Liverpool Stock Price
($P, L12M as 7/31/26)



Source: Bloomberg, Actinver Research

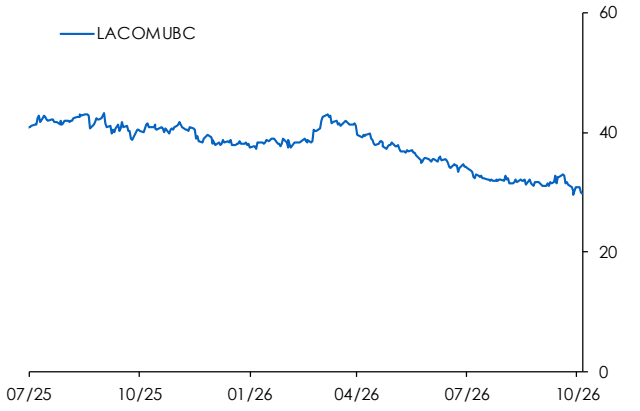
Figure 75: Liverpool EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

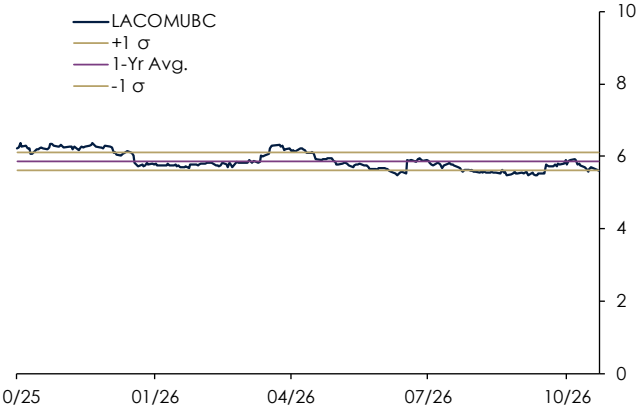
Our **Liverpool** PT of P$104 is derived from a DCF calculation, using a 16.3% WACC —we use a 15.5% cost of debt, an effective tax rate of 28%, a cost of equity of 17.4%, and a D/E ratio of 0.2—.

Figure 76: La Comer Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

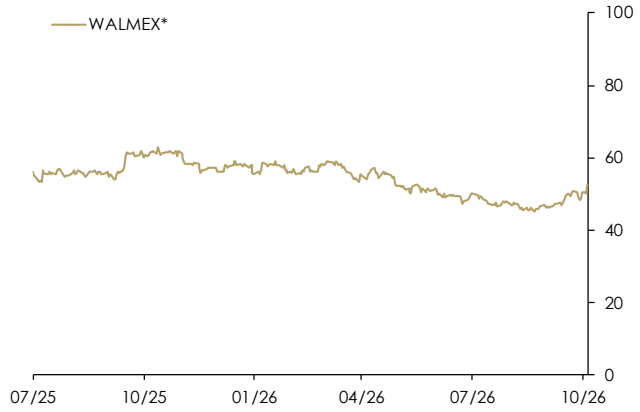
Figure 77: La Comer EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

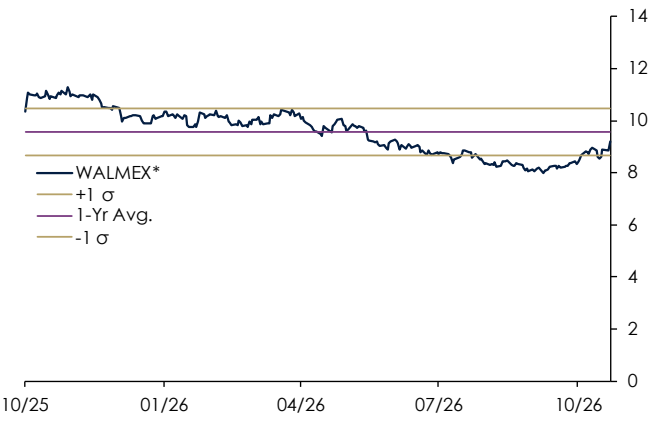
Our **La Comer** PT (P$33) is derived from a DCF calculation, using a 15.4% WACC —we use a cost of equity of 15.4%, and no debt in the company's structure—.

Figure 78: Walmex Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

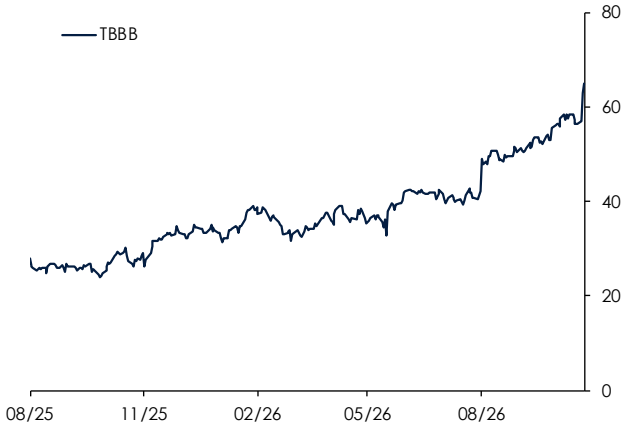
Figure 79: Walmex EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

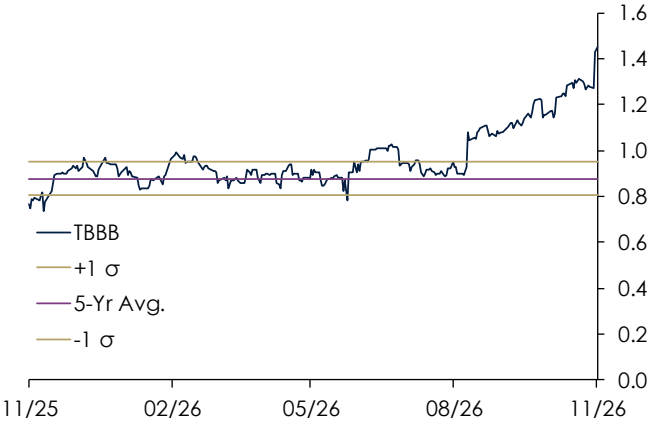
Our **Walmex** PT (P$55) is derived from a DCF calculation, using a 14.7% WACC—we use a cost of equity of 14.7%, and no debt in the company's structure—, accounting for the company's operations geographic breakdown.

Figure 80: TBBB Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

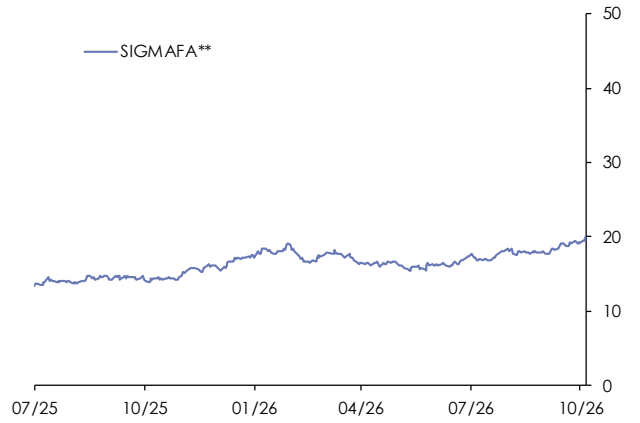
Figure 81: TBBB P/S
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

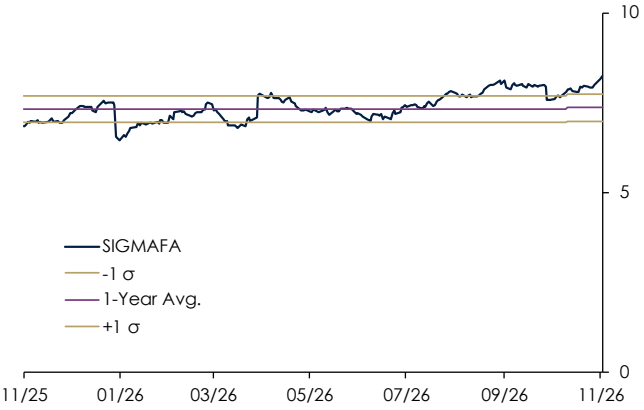
Our **TBBB** PT (US$72) is derived from a DCF calculation, using a 12.3% WACC. We use a 7% cost of debt, an effective tax rate of 30%, a cost of equity of 15.1%, and a D/E ratio of 0.4.

Figure 82: Sigma Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

Figure 83: Sigma EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

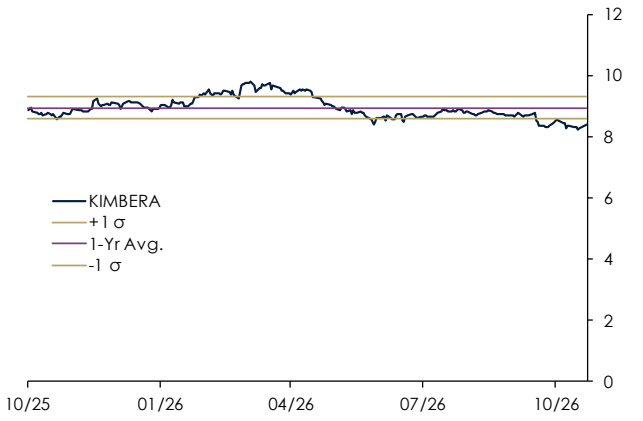
Our **Sigma** PT (P$23) is derived from a DCF calculation, using a 7.8% WACC —we use a 7.3% cost of debt, an effective tax rate of 31.6%, a cost of equity of 14.3%, and a D/E ratio of 2.3.

Figure 84: Kimberly-Clark Stock Price
($P, L12M as 11/04/26)



Source: Bloomberg, Actinver Research

Figure 85: Kimberly-Clark EV/EBITDA
(x, L12M as of 11/04/26)



Source: Bloomberg, Actinver Research

Our **Kimberly-Clark de Mexico** PT (P$41) is derived from a DCF calculation, using a 10.0% WACC —we use a 12% cost of debt, an effective tax rate of 32.5%, a cost of equity of 15.9%, and a D/E ratio of 3.1.

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October 15, 2026 | Update

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OUTPERFORM: Total return [TR] (including dividends) for year-end 2027 higher than the TR of IPC Index.
MARKET PERFORM: Total Return [TR] (including dividends) equal to (+/- 3.5%) the TR of IPC Index.
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