

CULTIBA^o



Corporate Presentation

Ago 2017

Forward Looking Statements

The material that follows presents general background information about Organización Cultiba, S.A.B. de C.V. (“CULTIBA” or the “Company”) as of the date of the presentation. This information consists of publicly available information concerning the Company and the industries in which it participates. It is information in summary form and does not purport to be complete. It is not intended to be relied upon as advice to potential investors and does not form the basis for an informed investment decision.

This presentation includes forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding our prospective resources, contingent resources, financial position, business strategy, management plans and objectives, future operations and synergies are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual resources, reserves, results, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business operations and strategies and the environment in which we expect to operate in the future. Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update of or revisions to any forward-looking statements in this presentation, any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.



Our Company



Organización Cultiba, S.A.B. de C.V. (“Cultiba”) is a **holding company** with a **minority interest in GEPP**; one of Mexico’s largest bottlers of soft drinks and jug water, and the exclusive bottler of PepsiCo beverage products in Mexico. As a holding company Cultiba also **owns and operates GAM sugar mills**; located in the **western region of Mexico**. The Company is listed on the Bolsa Mexicana de Valores, where it **trades under the symbol CULTIBA**.

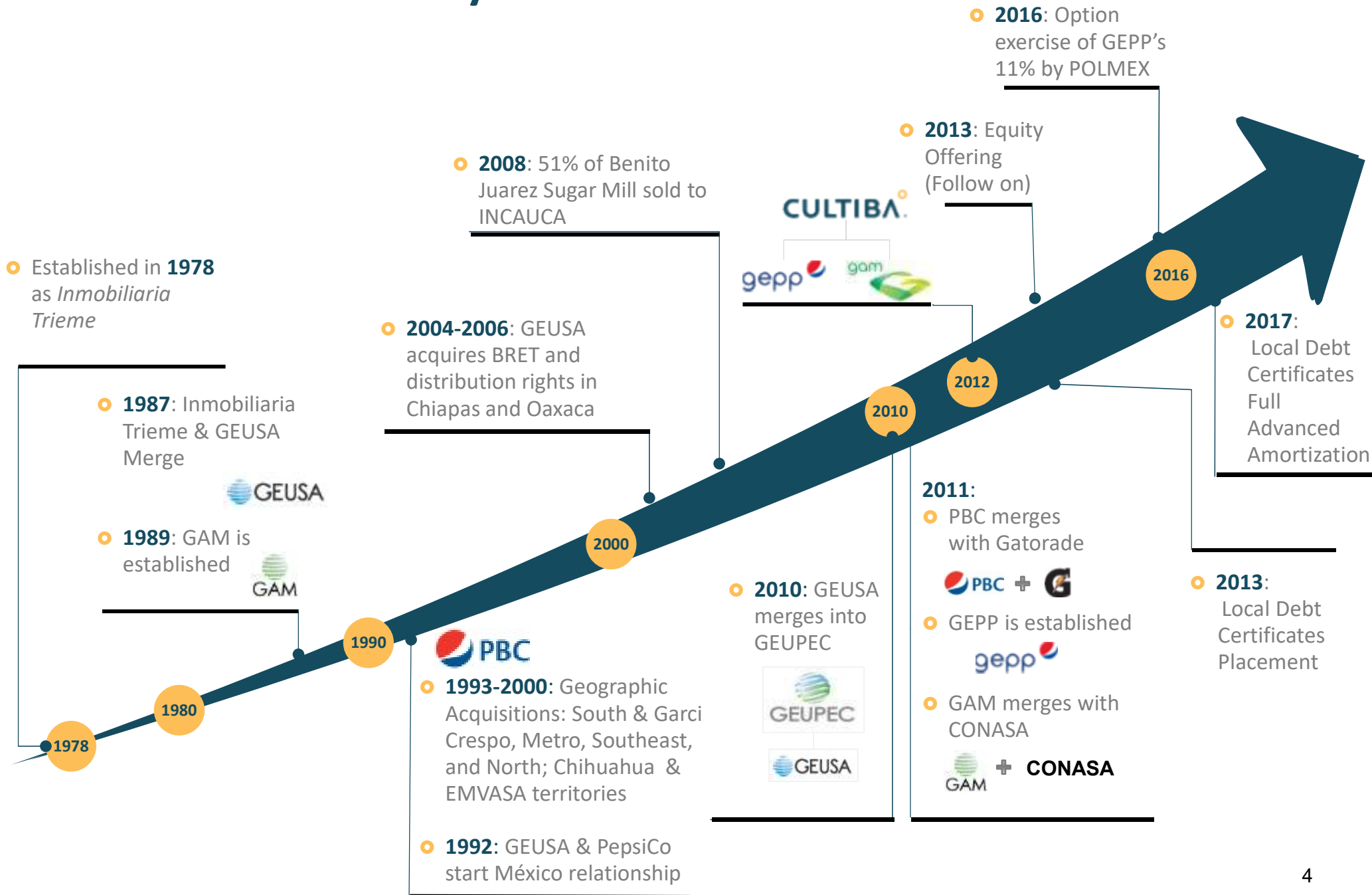


GEPP commercializes carbonated, non-carbonated soft drinks, and jug water under its **own brands as well as third party brands**. GEPP is the **exclusive bottler of PepsiCo’s brands in Mexico**, it owns 44 bottling facilities and is the only Mexican bottler with **nationwide distribution**. GEPP produces, sells, and distributes an **inclusive portfolio** of non-alcoholic drinks; comprising: sodas, juices, bottled water, iced tea, flavored water, and isotonic drinks. Within the water segment, GEPP also commercializes 10.1 and 20 liter jugs via Direct-to-Home delivery.



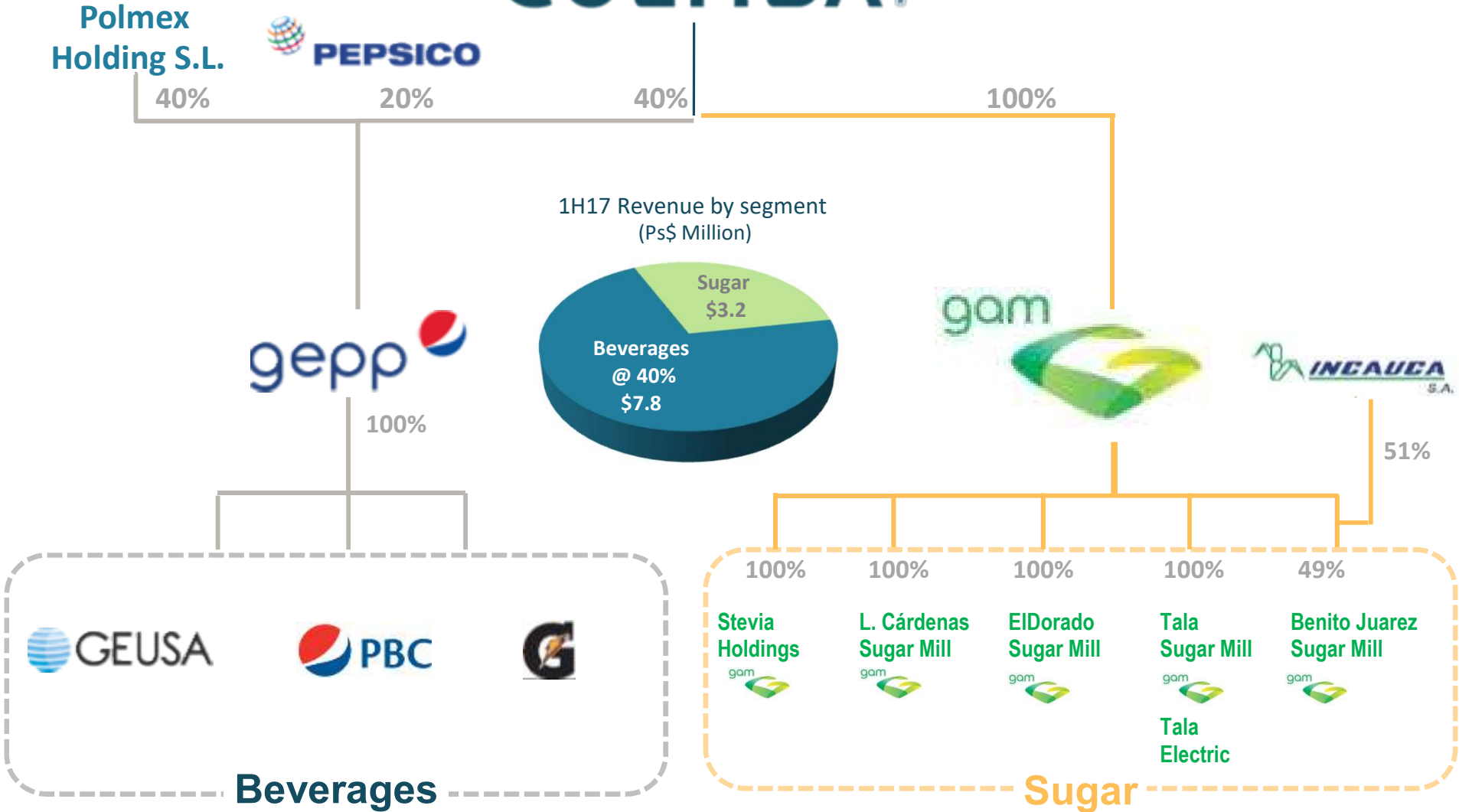
GAM is the **third largest private** sugar producer in **Mexico**. It operates and owns **100% of three sugar mills** in the country; located in Jalisco (Tala), Michoacan (Lazaro Cardenas), and Sinaloa (El Dorado). It also owns **49% of Benito Juarez Mill** (located in Tabasco). GAM Mills have a combined crushing capacity of **~36,000 sugar cane tons per day**; its main clients are **Industrial manufacturers** in Mexico – with strong focus on PepsiCo affiliates (including GEPP). GAM also exports sugar to clients in the US.

Company trajectory focused on core business sustainability and value creation



Corporate structure supports an integrated business model

CULTIBA



+130 Years combined experience

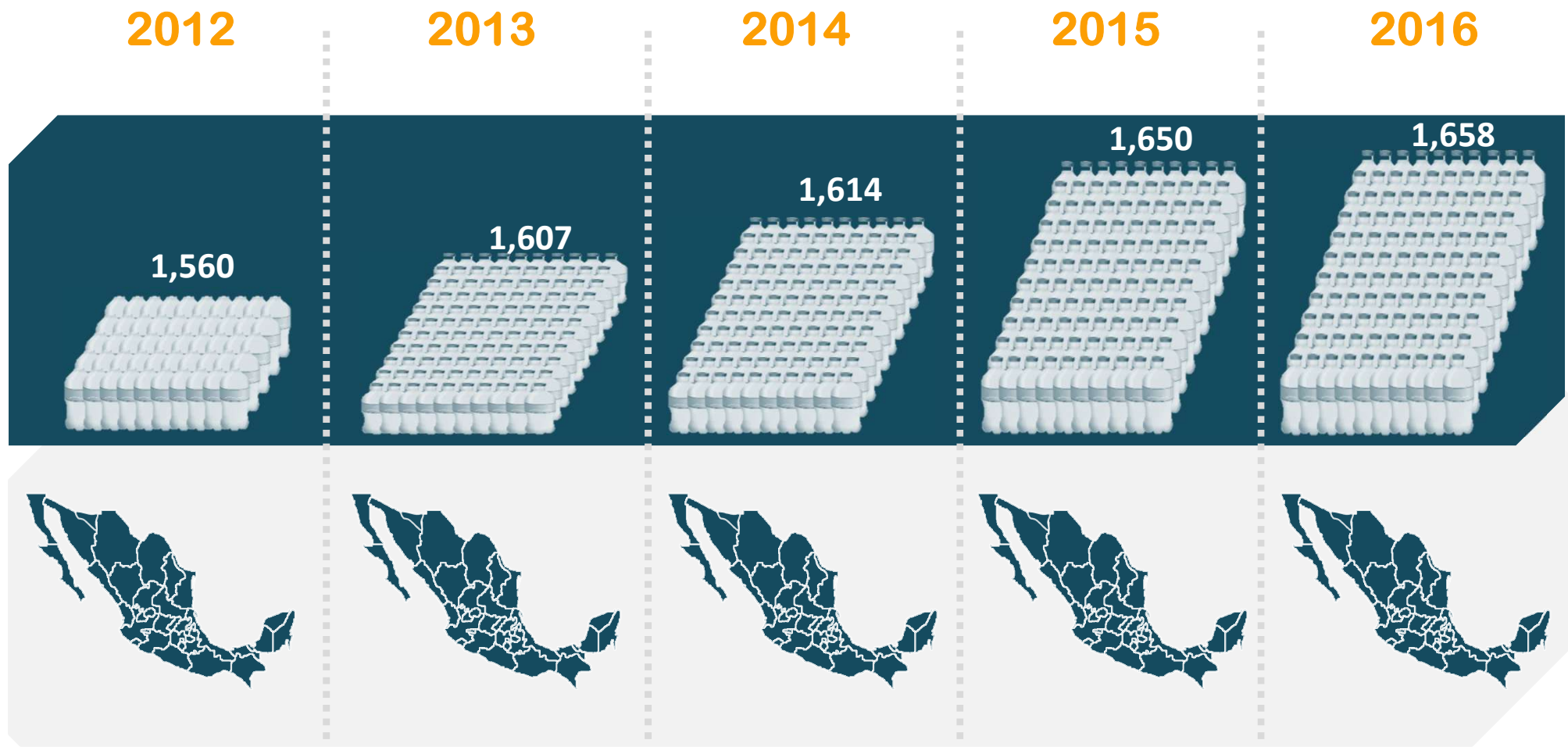
+140 Years combined experience



1 A unique beverage operation with nationwide presence



From a regional bottler to a leading beverages company with nationwide distribution



Source: CULTIBA & GEPP Management, financial and operating information 2012– 2016

Extensive national network: competitive advantage **CULTIBA^o** that enables greater market penetration

120 MILLION +



**ADDRESSABLE
POPULATION**

~700,000

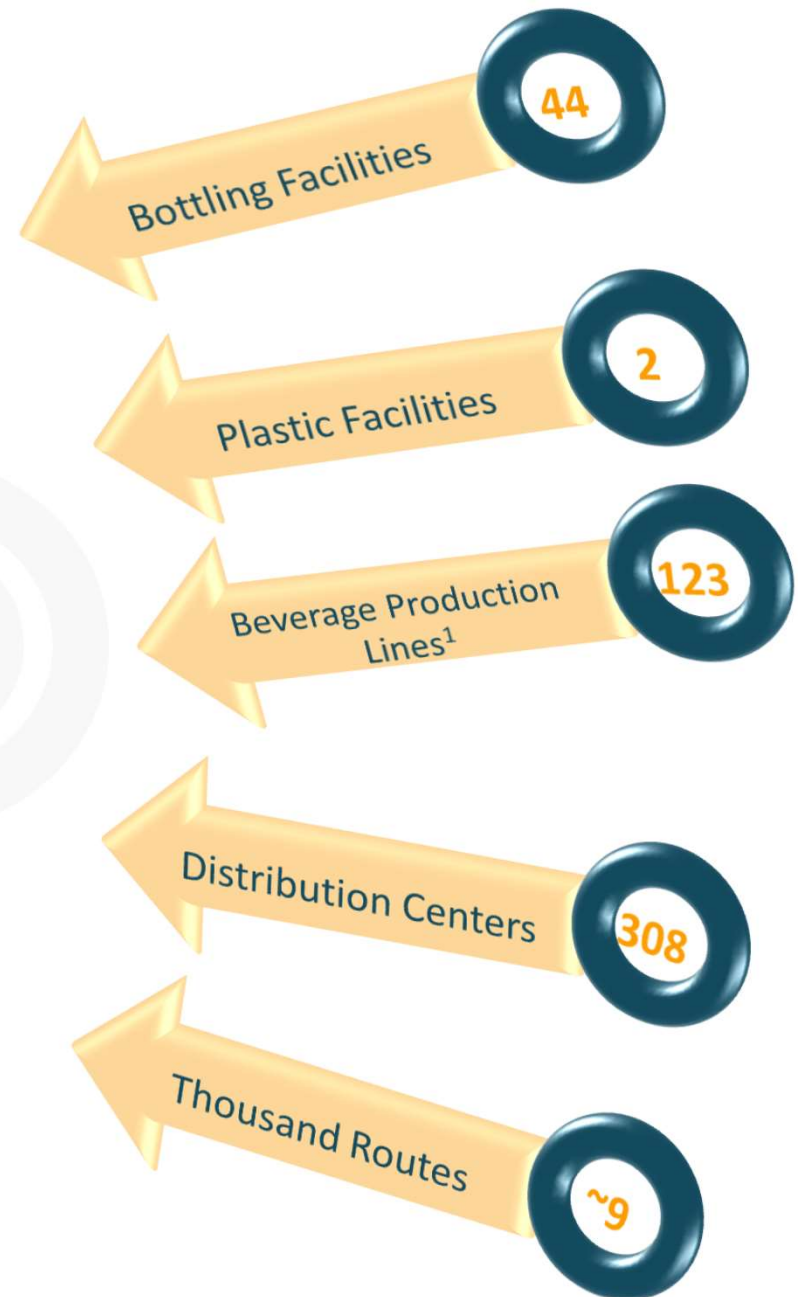


**RETAIL
CUSTOMERS/WEEK**

~1.8 MILLION



CLIENTS / WEEK THROUGH DTH ROUTES²



Notes: ¹Production lines include soft drinks and jug water. ²from which ~80% are households.

Source: CULTIBA & GEPP Management, operating information 2016



2 Proven capabilities to capture efficiencies through an integrated business model



Three partners with complementary strengths and proven capabilities



- ➔ Deep market knowledge
- ➔ 1st PepsiCo JV outside the US market
- ➔ Water jugs (5 gal) → DTH GTM⁽¹⁾
- ➔ Strong nationwide distribution networks:
Retail + Direct-to-Home

Polmex Holding S.L.

- ➔ Operational expertise in the Food and Beverage industries
 - Portfolio development
 - Differentiated GTM² models
 - Proven Pepsi-Cola Latin America experience

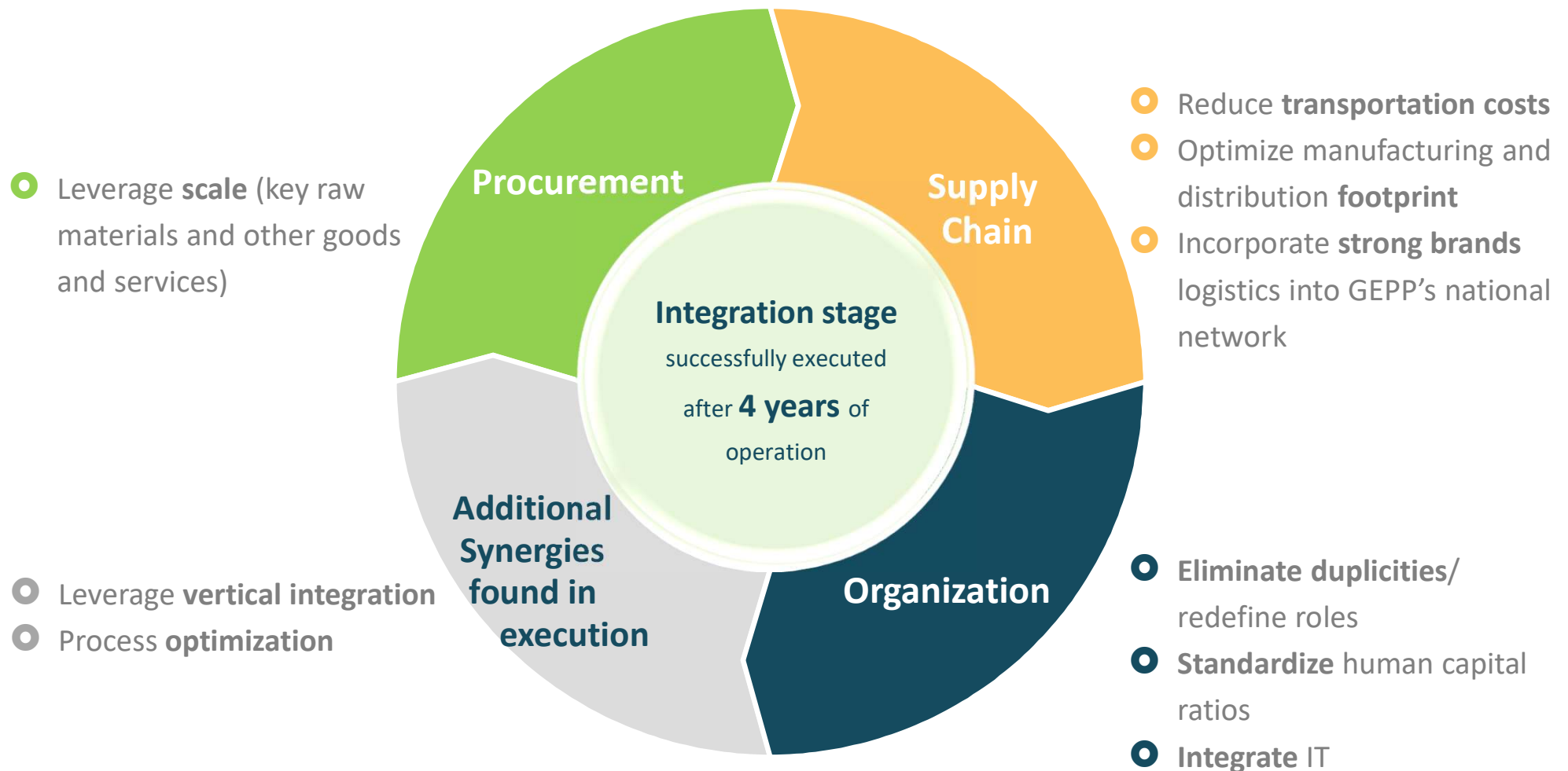


- ➔ Gatorade portfolio
- ➔ Strong / leading brands
- ➔ Product innovation
- ➔ Shared procurement
- ➔ Investment commitment

(1) Direct-to-Home Strategy ("DTH"), (2) Go-to-market ("GTM")

Business strategy leverages nationwide infrastructure for growth while capturing synergies

Integration Synergies / Efficiencies



By year-end 2013 Cultiba's beverages division had realized **100% of Ps. 900 million in identified synergies** and since 2014 it has **continued to identify operating efficiencies** to strengthen its cost structure



3 Full beverage portfolio of strong and leading brands



Brand architecture targets an inclusive and competitive beverage portfolio

From 49 to 24 beverage brands; focus in core / strongest brands...

Carbonated

Colas



Core flavors



Multi-flavors



Non-carbonated

RTD Tea



Sports drinks



Bottled water



Juices & juice drinks



5-gallon Jug



*...portfolio of GEPP-owned and franchised brands
(PepsiCo, Fruko, Jumex, Del Fruto, Unilever, Cabcorp)*



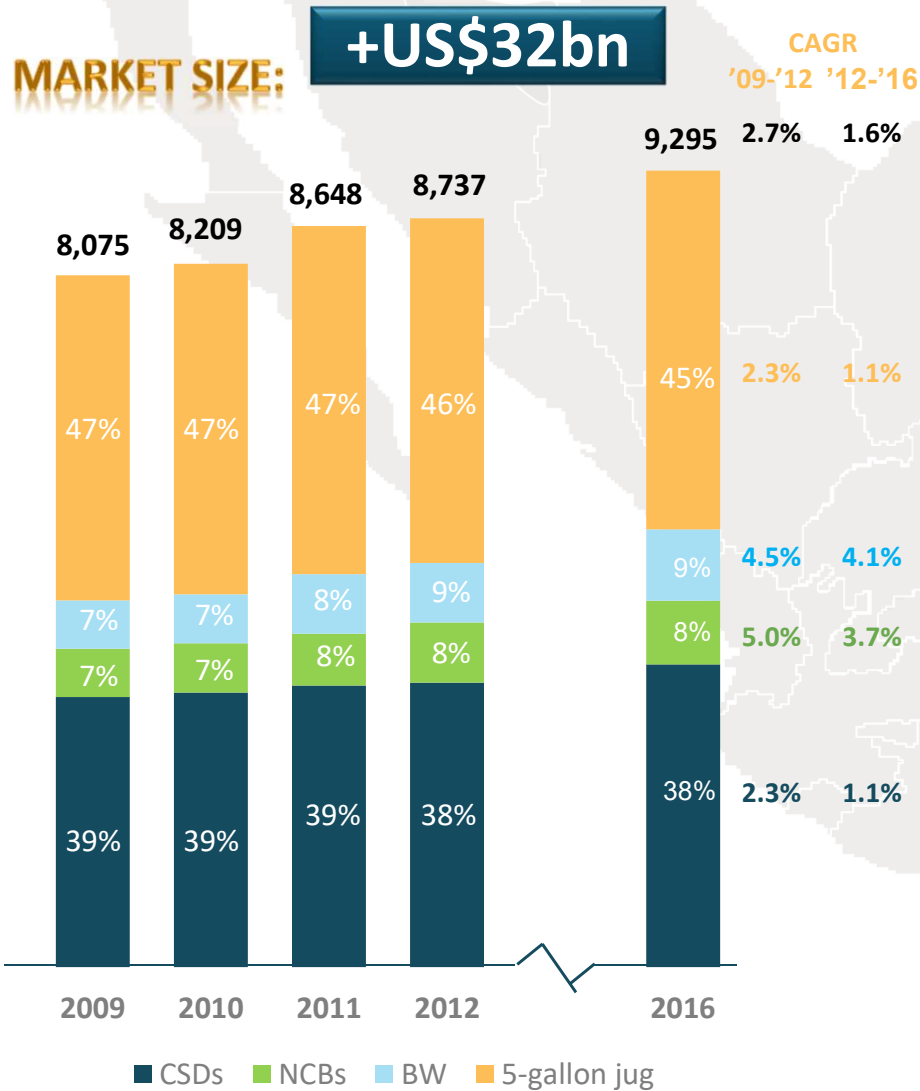
4 Attractive Market



Sizeable beverage market

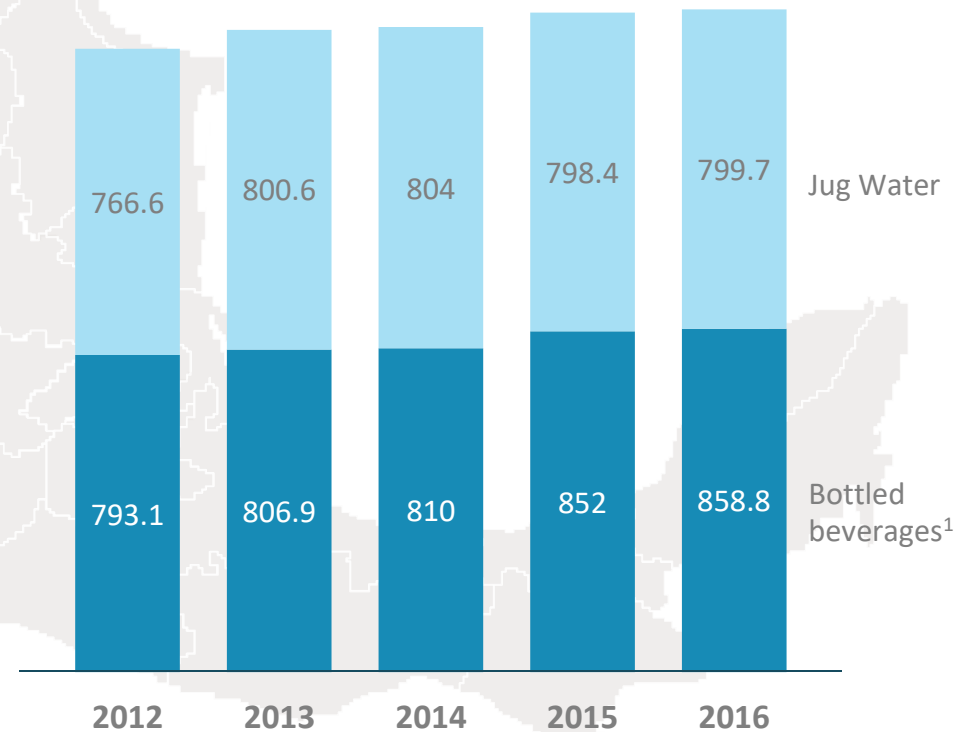
LRBs market evolution

(millions of 8 oz. cases)



Cultiba Beverages Division Volume

(million eight-ounce cases)



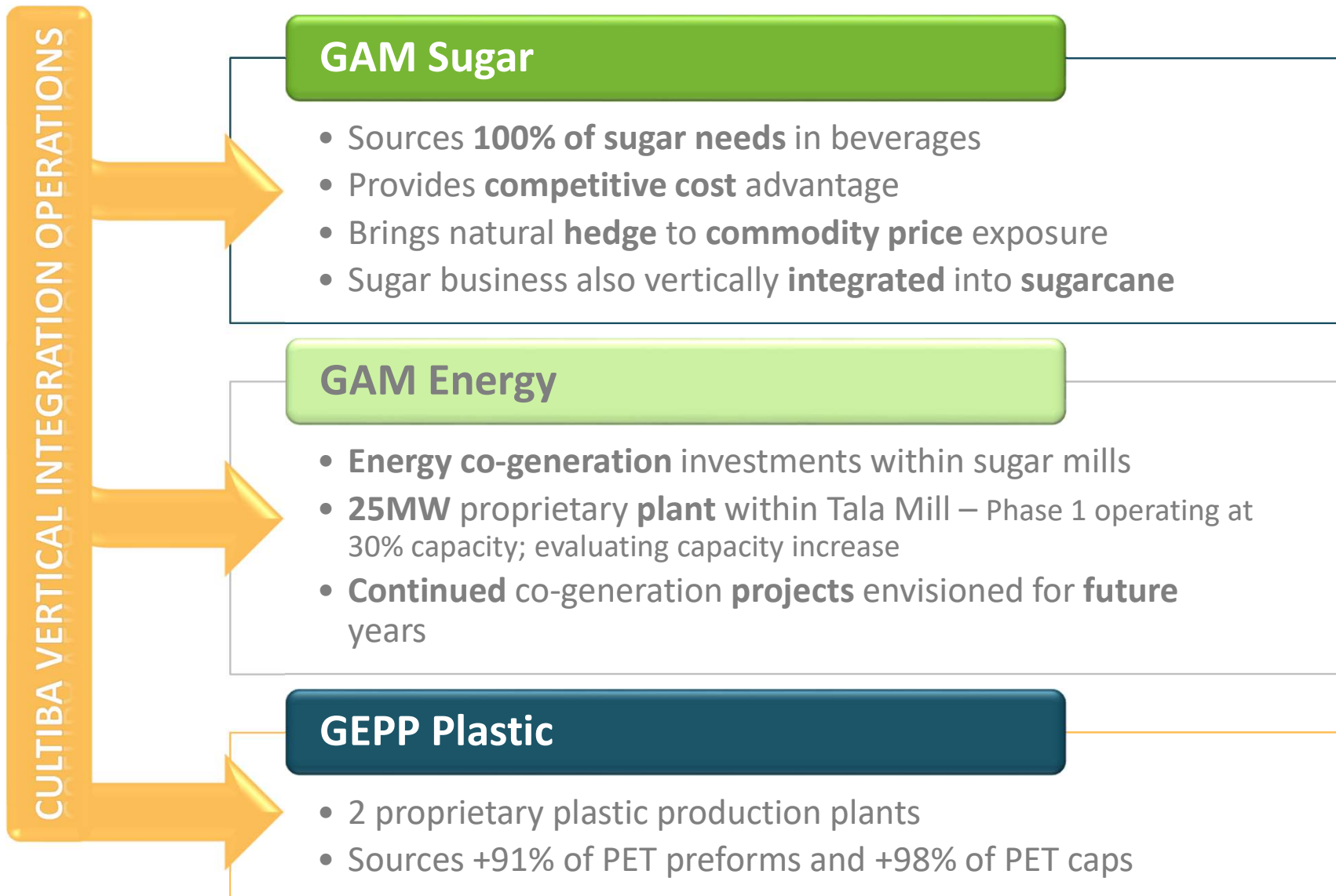
Source: Canadean, Euromonitor; GEPP operating data 2011 – 2016
 Note: ¹ Includes Carbonated Soft Drinks, non-Carbonated Beverages, Water (less than 5 lt. presentations), Flavored Water



5 Vertical integration provides a natural hedge

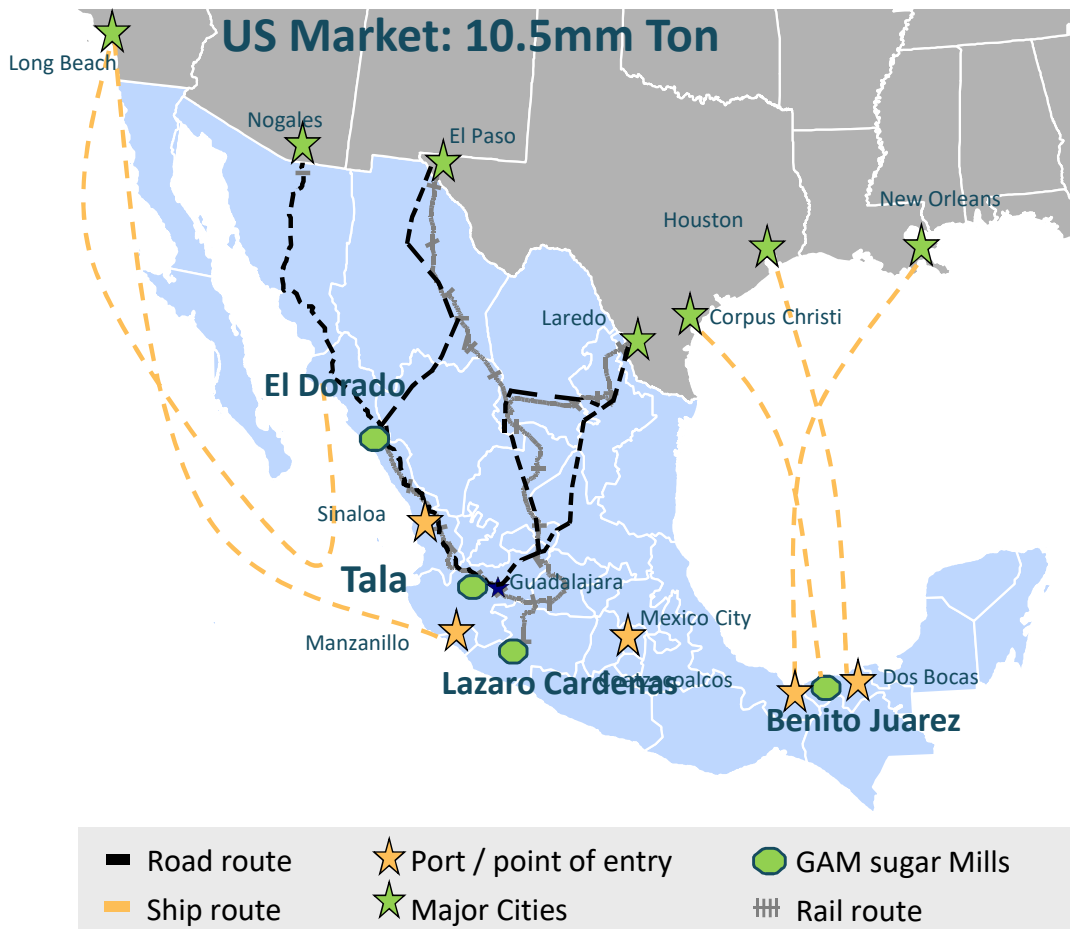


Integration at the basis of a competitive and sustainable cost structure



Advantageous market and geographic location in the sugar business

Advantageous geographic location



Unique business fundamentals

- Focused on the **North American industrial market** where the **PepsiCo** system consumes ~60-70% of GAM's production¹. Our mills have an **advantageous geographic position** to serve this market
- Mirrors integration into sugar production seen with our main competitors in Mexico as well as in beverage systems in other countries. Provides **wider, more stable margins** and **eliminates price volatility**
- **Integration represents** approximately 20% of the beverage business **cost structure**. In addition, GAM has started to deliver **electricity** to GEPP's plants
- Well run and **highly profitable** business **integrated** into **sugarcane production** (~13% today and further increases expected by 2017) and **diversified** into **electricity cogeneration**
- Growth **business plan fully funded with cash flows from operations** positions GAM as a regional **low cost producer**

Note: ¹Considering both PepsiCo's beverages and food division
Source: CULTIBA and GAM Management



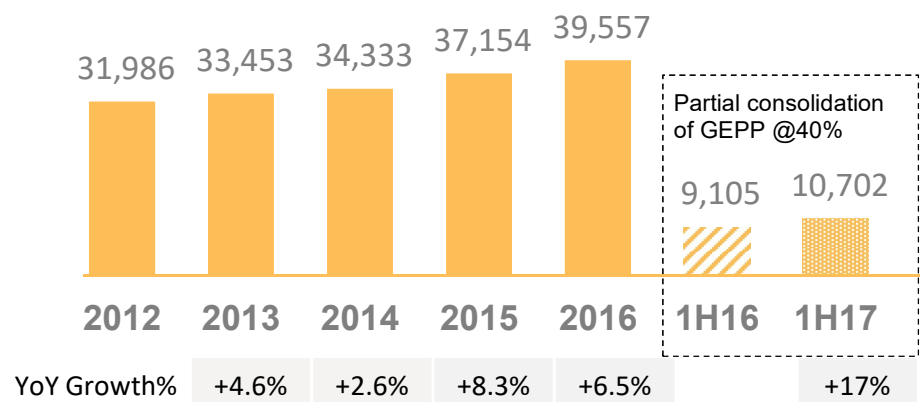
Financial Highlights



CULTIBA Financial Results as of 1H17

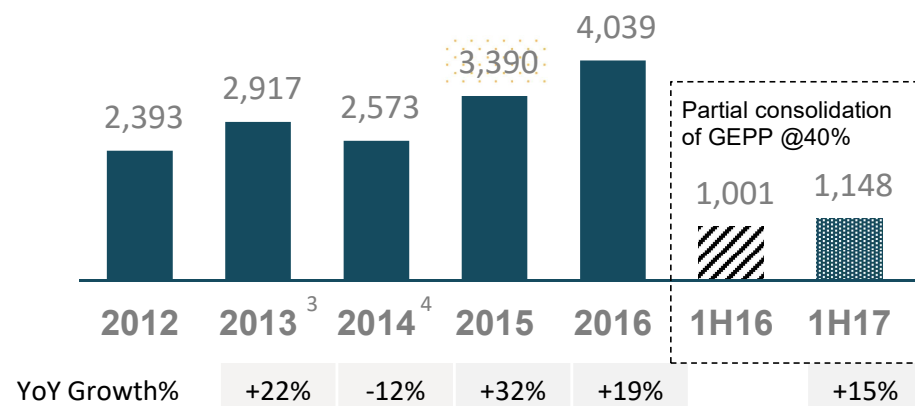
Revenue¹

(Ps\$ million)



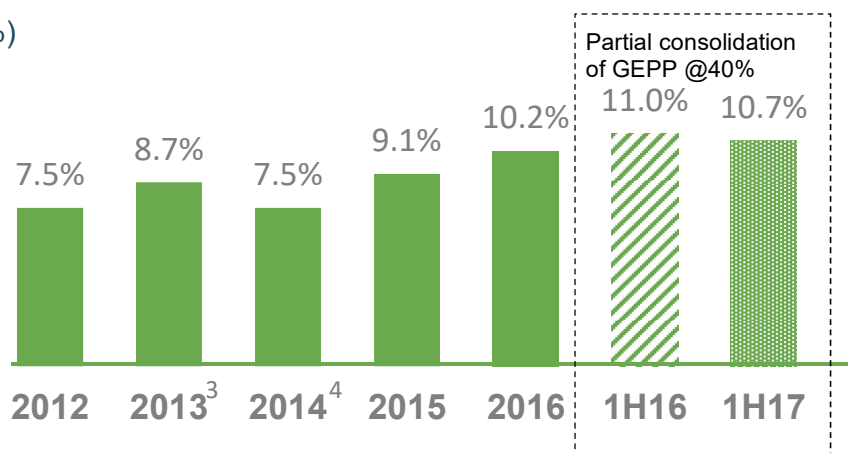
EBITDA²

(Ps\$ million)



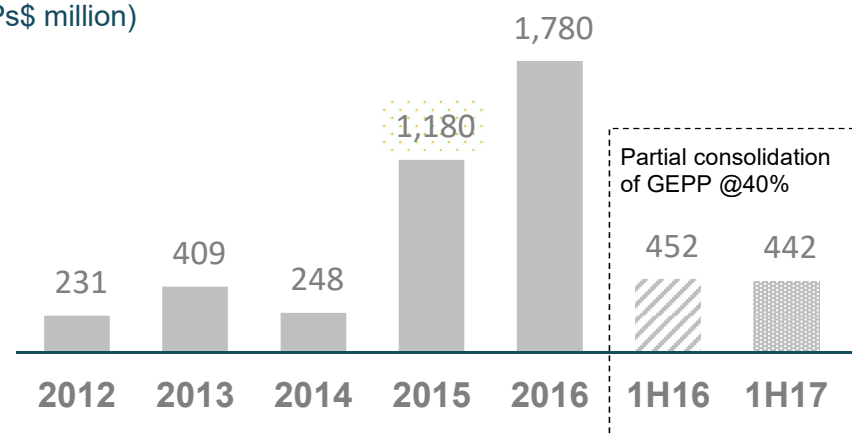
EBITDA margin

(%)



Operating income⁵

(Ps\$ million)

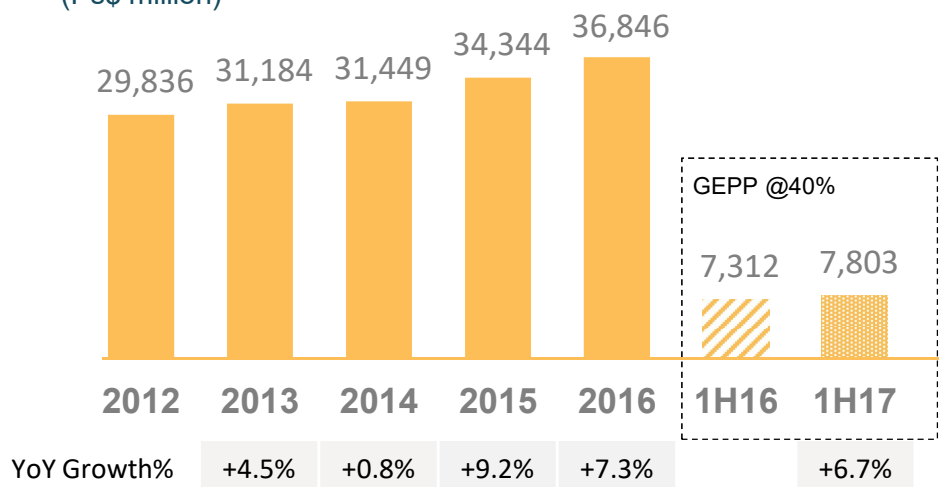


**Consolidated figures (sugar + beverages). ¹Revenues for 2014 onwards are presented net of excise tax (1 peso per liter effective January 1st 2013). ²EBITDA = net income + depreciation & amortization + net financing cost + provision for taxes. ³2013 EBITDA does not include adjustment for non-recurring expenses related to savings program (Ps. 3,018 million EBITDA and 9.0% EBITDA margin after adjustment). ⁴2014 EBITDA does not include adjustment for non-recurring expenses related to savings program; adjusting for those expenses EBITDA was Ps. 2,970 million in 2014 (8.7% margin). ⁵ 2014 Operating Income does not include Ps. 1,600 non-cash impact from goodwill adjustment to intangible assets from the sugar division at the Holding Company; in order to reflect more conservative price environment – including such impact Op. Loss was Ps.(1,353) million in 2014

Beverages Division Financial Results as of 1H17

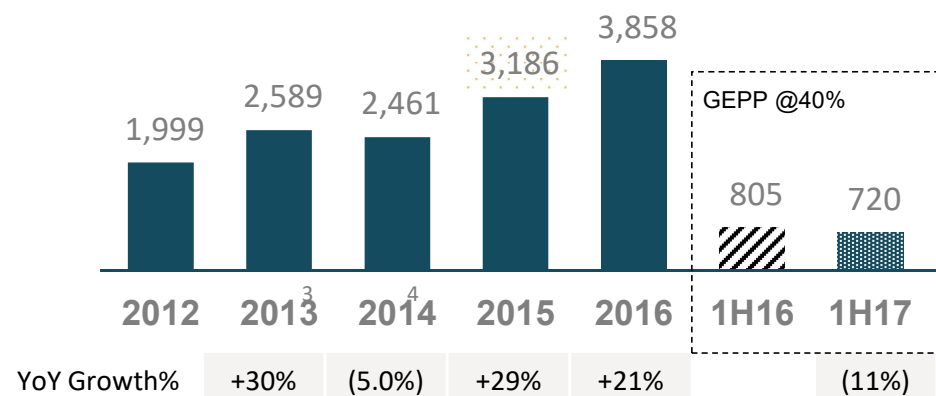
Revenue¹

(Ps\$ million)



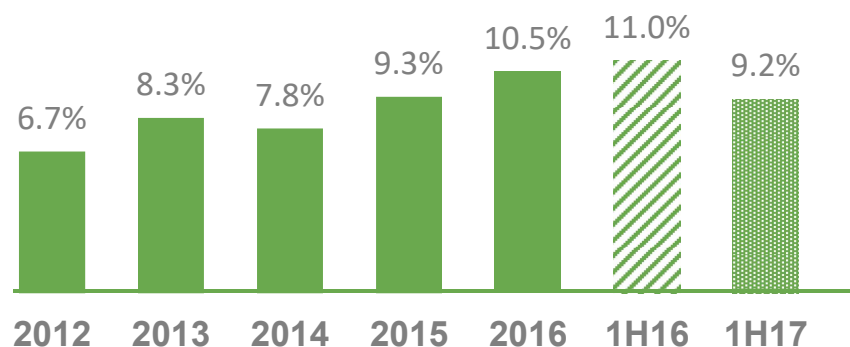
EBITDA²

(Ps\$ million)



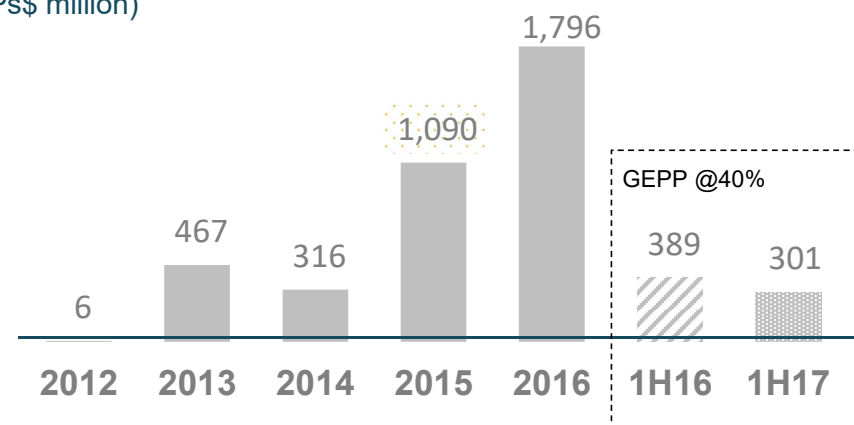
EBITDA margin

(%)



Operating income

(Ps\$ million)

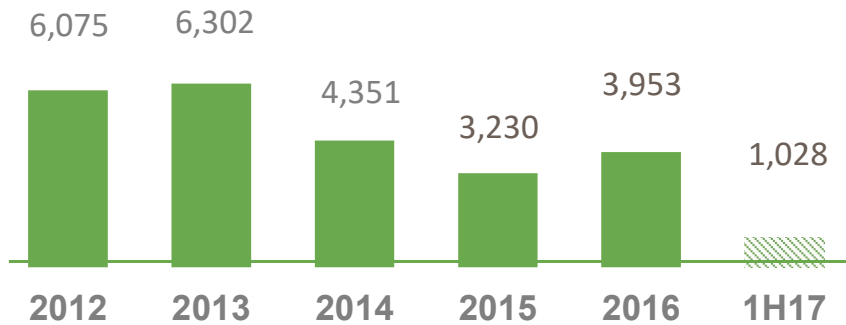


¹Revenues for 2014 onwards are presented net of excise tax (1 peso per liter effective January 1st 2013). ²EBITDA = net income + depreciation & amortization + net financing cost + provision for taxes. ³2013 EBITDA does not include adjustment for non-recurring expenses related to savings program (Ps. 2,690 million after adjustment). ⁴2014 EBITDA does not include adjustment for non-recurring expenses related to savings program; adjusting for those expenses EBITDA was Ps. 2,858 million in 2014

CULTIBA Balance Sheet as of Jun 30, 2017

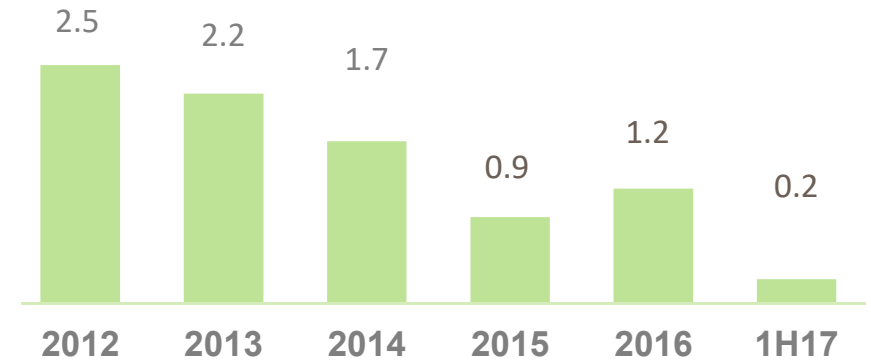
Net debt

(Ps\$ million)



Proforma – consolidating 40% of GEPP

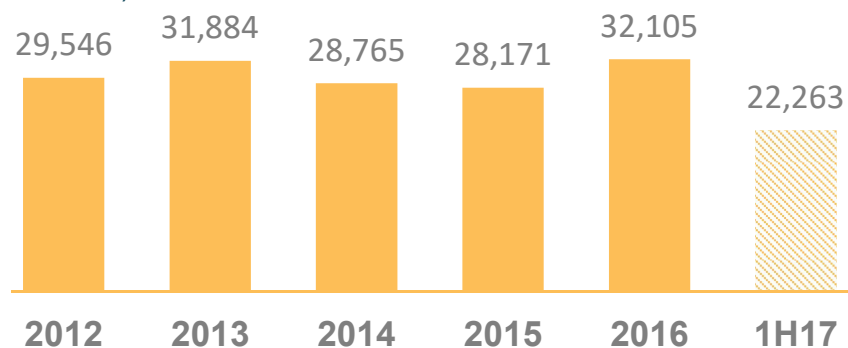
Net debt / EBITDA ratio



Proforma – consolidating 40% of GEPP

Total assets

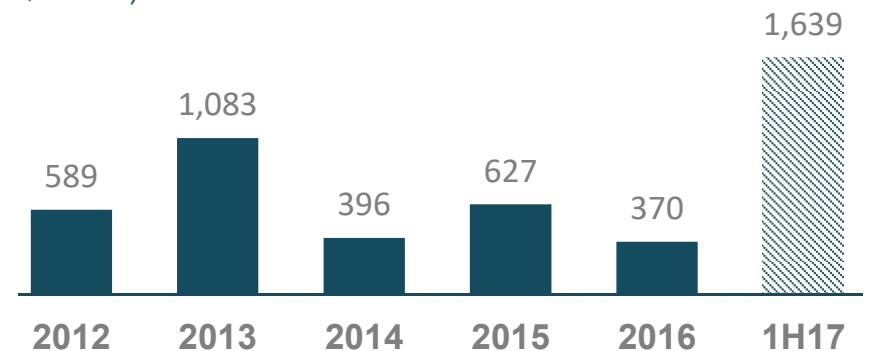
(Ps\$ million)



Includes deconsolidation effects + proceeds from 11% GEPP option exercise

Cash & equivalents

(Ps\$ million)



Includes deconsolidation effects + proceeds from 11% GEPP option exercise

CULTIBA^o

Thank you

www.cultiba.mx

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