Second Quarter 2021 Earnings Results

Conference Call

July 27, 2021

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Agenda

1. Voluntary Public Acquisition Offer
2. Strategic Priorities
3. Second Quarter Highlights
4. Highlights by Region
5. Financial Results

LALA

Voluntary Public Acquisition Offer

- Announcement on May 21, 2021 of intention to launch Voluntary Public Acquisition Offering (VPAO) by the group of majority shareholders

- Filing was presented to regulator for approval on June 14, 2021

- Upon regulatory approval, VPAO will be launched
  - LALA's Board will issue statement on the offered price within ten business days based on independent Fairness Opinion

- After the closing of the VPAO, if the necessary number of shares are acquired, the offerors intend to request cancellation of the security listing

- The timing of these events is subject to regulatory approvals

Strategic Priorities

Strategic Priorities – 2021

Remain focused on our strategy

Focus on Core Markets

Financial Discipline: ROIC

Profitable and Sustainable Growth

- Brand strength drives steady topline
- Leveraging operational strengths to offset challenging inflation environment
- Stable profitability in Mexico, US and CAM
- Actions taken in Brazil to improve outlook
- Maintaining capital allocation discipline
- Committed to deleveraging target

Second Quarter 2021 Highlights

1. +3.7% YOY constant currency Sales growth driven by Mexico
2. 9.1% consolidated EBITDA margin, -100 bps YOY
   - *9.5% Adjusted[(1)], -60 bps YOY*
3. 12% EBITDA margin for Mexico, +10 bps YOY expansion
4. $160m in Net Income, 0.8% net margin and -130 bps YOY
   - *$262m Adjusted[(1)], 1.3% net margin and -80 bps YOY*
5. -0.7% Consolidated Working Capital; 120 bps improvement YOY
6. Leverage ratio: reported 3.0x ND/EBITDA

(1) Adjusted excludes BRL 36.6m of one-offs recognized as part of the Anápolis plant closure and corporate restructure in Brazil.

Second Quarter 2021 Highlights by Region

Operational consistency mitigating cost headwinds

Stable performance driven by category and brand strength

- +3.8% Sales YOY
  - Channel growth and tactical price adjustments
  - Solid UHT milk, cream, and cold-cuts performance; yogurt recovering
  - Continued innovation expands portfolio

Operational stability continues

- 12.0% EBITDA margin, +10bps YoY
  - Persistent inflation in raw materials
  - Operational efficiencies to offset inflation
    - Logistics
    - Waste control
    - Overhead expenses
  - Negative working capital

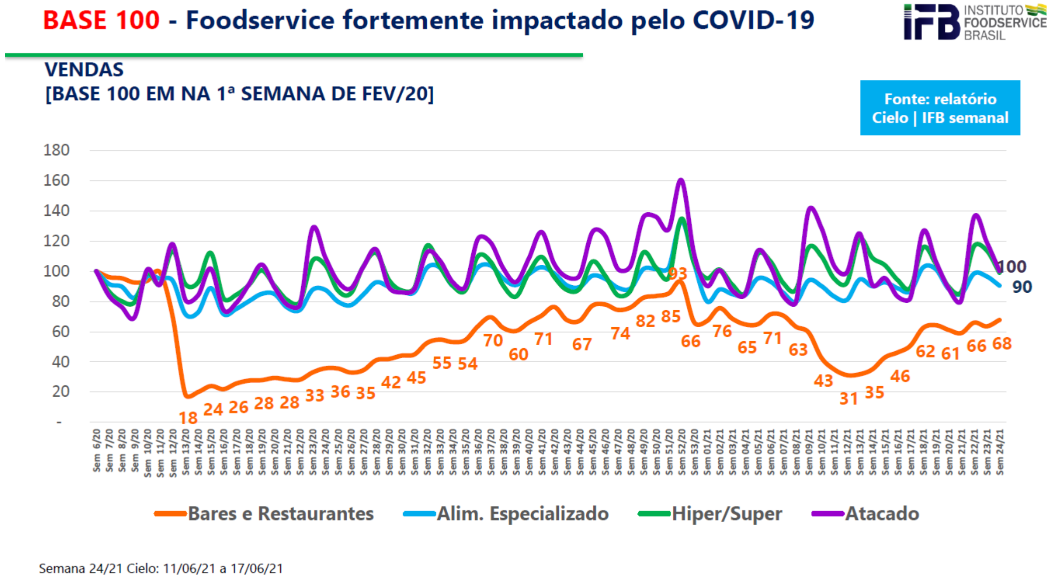
Action plan implemented to address challenging outlook

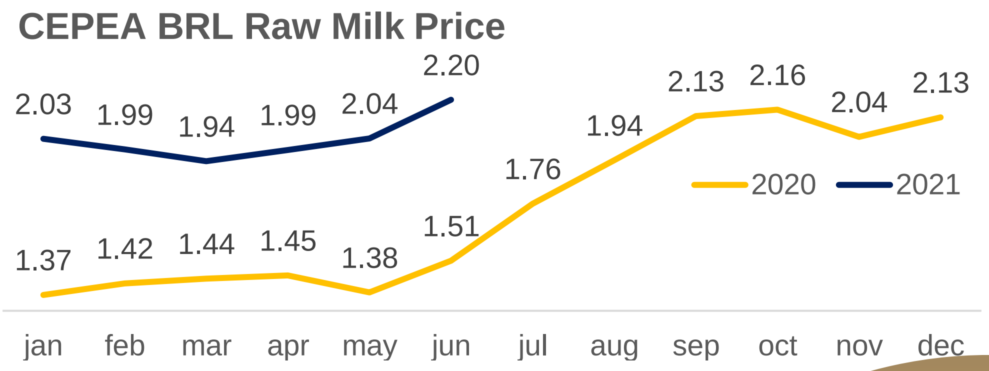
Termination of co-packing contract impacting volumes

- +21.8% YoY like-for-like BRL Sales
  - Volume flat; price increases to mitigate cost inflation
  - Strong performance in creams, cheeses, and *requejião*
- +7.1% YoY Reported BRL Sales

Taking steps to address margin pressure

- -4.3% Adjusted[(1)] EBITDA Margin; -7.4% Reported
  - Packing materials adding on raw milk and soybean oil inflation
- Action steps to foster improvement
  - Portfolio optimization
  - Productivity: overhead, waste control and capacity utilization
  - Pass-through pricing while preserving competitiveness





(1) *Adjusted EBITDA excludes BRL 36.6m of one-offs recognized due to Anápolis plant closure and corporate restructure in Brazil.*

Stable operations setting foundation for growth

Steady volume performance

- +0.5% YoY USD Sales
    - Stable sales in drinkable yogurt
    - Expanding distribution footprint of Promised Land
    - Growth in UHT milk and blended yogurt

Profitability improving sequentially

- 2.8% EBITDA margin, -60 bps YoY, +140 QoQ
    - Reduced expenses mitigating inflation
    - 300bps YOY working capital improvement

Central America

Solid and profitable performance

Robust like-for-like sales growth

- +9.9% YoY USD Sales in Nicaragua and Guatemala
  - Innovation into white spaces
  - Pricing strategy to offset materials inflation
  - Strong performance in milk and yogurt, ice-cream continues to recover

Building upon profitability expansion

- 6.5% EBITDA Margin, +320 bps YoY comparable basis
  - Sales and distribution cost control
  - Portfolio optimization to expand contribution
  - Continuing working capital improvement

Financial Results

Q2'21 Net Sales by Region

Sales growth despite tough comparable

MXN$ in millions	Q2'20	Q2'21	Var. %	Constant currency[1] Var. %
Mexico	15,574	16,172	3.8%	3.8%
Brazil	2,676	2,490	(6.9%)	7.1%
United States	915	788	(13.9%)	0.5%
Central America	883	712	(19.5%)	(6.0%)[2]
Total Sales	**20,048**	**20,162**	**0.6%**	**3.7%**[3]

(1) Constant currency uses constant BRL for Brazil and USD for the US and CAM
(2) 9.9% YOY constant currency excluding Costa Rica operation in Q2'20
(3) 4.3% YOY constant currency excluding Costa Rica operation in Q2'20

Q2'21 EBITDA by Region

Operational discipline driving margin stability in Mexico, US and CAM

MXN$ in millions	Q2'20	% NS	Q2'21	% NS	Var. bps
Mexico	1,846	11.9%	1,943	12.0%	10
Brazil	146	5.5%	(185)	(7.4%)	(1,290)
United States	31	3.4%	22	2.8%	(60)
Central America	5	0.6%	46	6.5%	590
Total EBITDA	**2,028**	**10.1%**	**1,826**	**9.1%(1)**	**(100)**

(1) Adjusted 9.5% EBITDA Margin, -60 bps YoY; excludes BRL 36.6m of one-offs recognized due to Anápolis plant closure and corporate restructure in Brazil

Q2'21 Consolidated Net Income

Maintaining positive earnings

MXN$ in millions	Q2'20	Q2'21	Var.
Operating Income	1,228	958	(21.9%)
Financing Expenses	617	542	(12.2%)
Results of assoc. companies	15	12	(20.2%)
Net Income Before Taxes	626	428	(31.5%)
% NS	3.1%	2.1%	
Taxes	208	268	29.1%
Effective Tax Rate	33.2%	62.5%	
Net Income	**418**	**160**	**(61.6%)**
% NS	**2.1%**	**0.8%**	**(130 bps)**

- Adjusted(1) Net Income: $262m, -37% YOY; 1.3% net margin and -80bps YoY
- Effective tax rate impacted by annual inflation adjustment on outstanding debt

(1) Excludes BRL 36.6m of one-offs recognized as part of the Anápolis plant closure and corporate restructure in Brazil

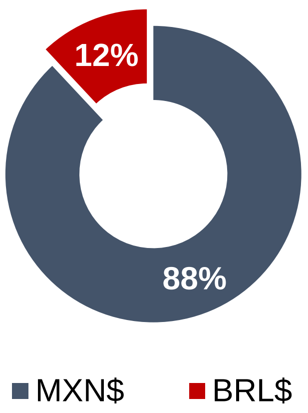
Total Debt as of June 30, 2021

Stable Debt Profile

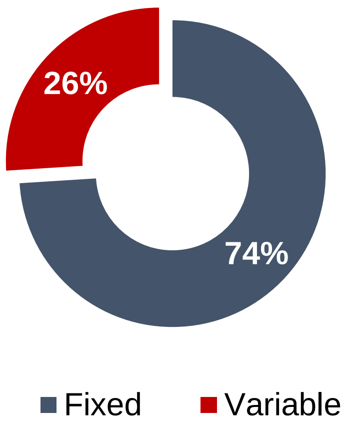
	Q2'21	
MXN millions	**Mexico**	**Brazil**
Total Debt	$28,414	
Net Debt	$23,899	
Net Debt / EBITDA	**3.0x**	
Average Duration	4.2 years	2.9 years
Average Cost of Debt	TIIE + 2.26%	CDI + 1.79%
Weighted Cost of Debt	6.69%	
Weighted Cost of Debt with Derivatives	**7.60%**	

Debt Profile

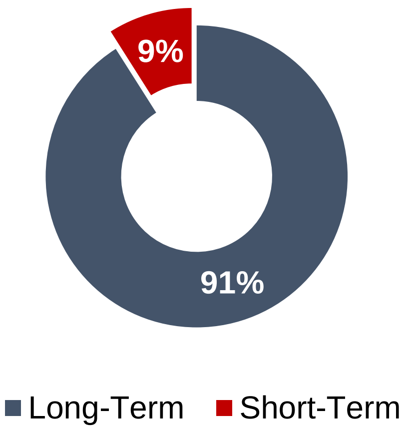
Currency Mix(1) (%)



Rate Mix(1) (%)



Maturity Mix (%)

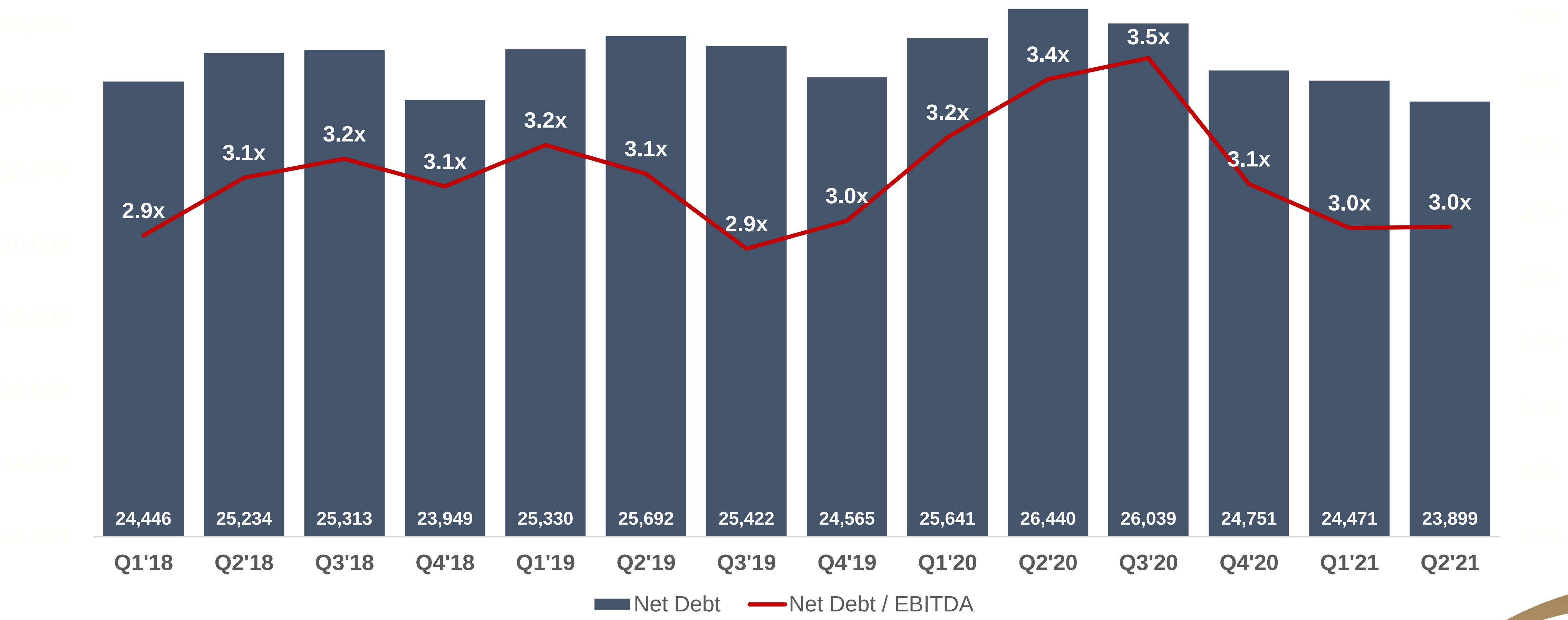


(1) Includes derivatives

Leverage Ratio

Working on Target Leverage Ratio of 2.5x

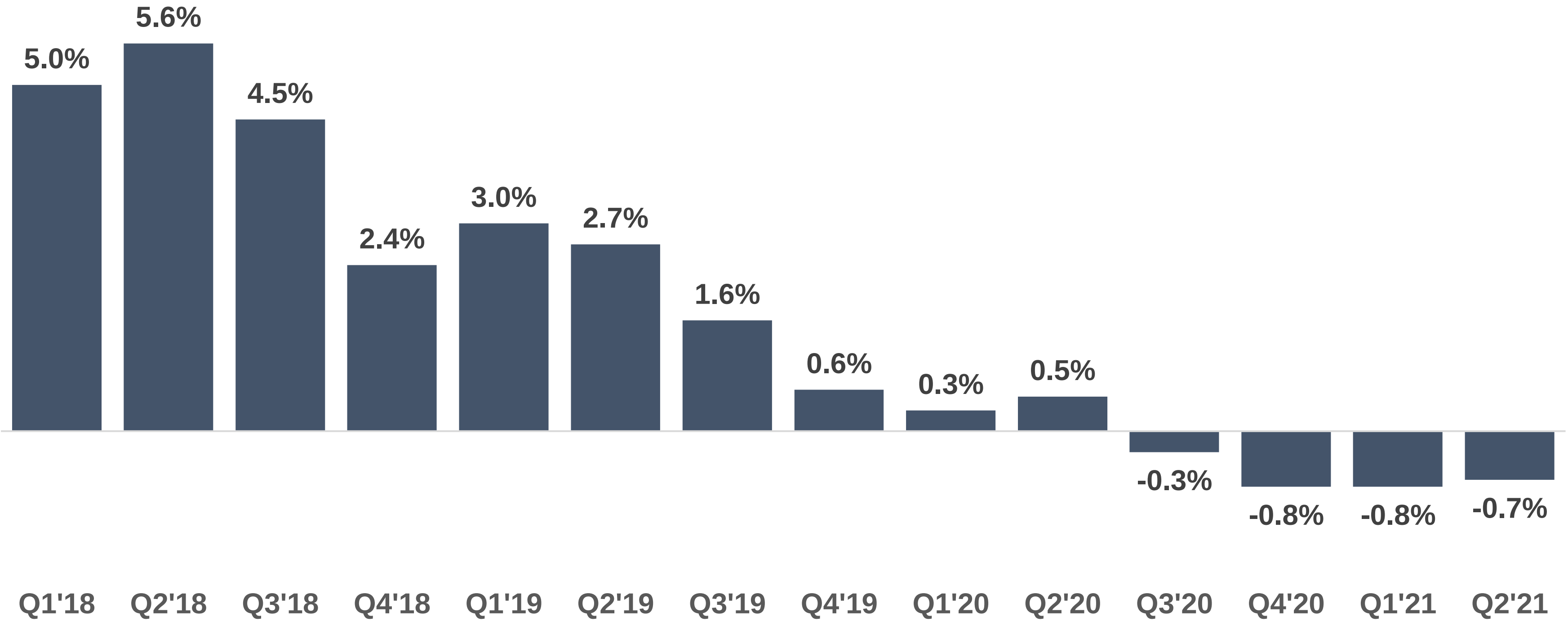
MXN in millions



Working Capital

Sustained Improvement

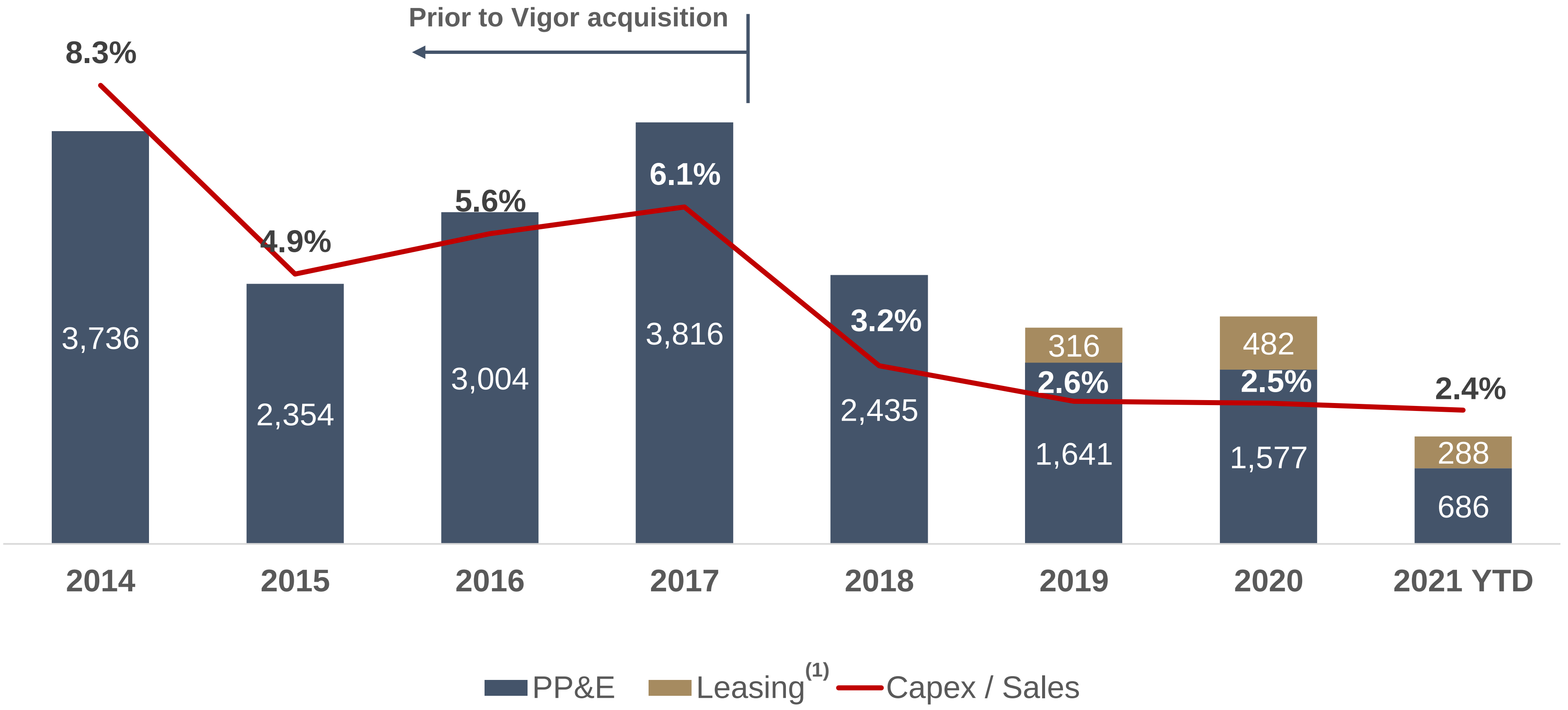
WK / Consolidated Sales



CapEx

Financial Discipline

MXN in millions



(1) Leasing includes vehicles, machinery and equipment

Closing Remarks

1. Focused and progressing on strategic priorities

2. Solid results in Mexico, US and CAM

3. Action steps to address challenging Brazil environment

4. Disciplined capital allocation and working capital improvements

Thank you!

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