

## AC (Buy)

**Current price: \$163.36, PT: \$179.00**

### Flash: Announces 2023 investment plan

Arca announced during its annual shareholders' meeting that it will allocate approximately MXN 14.5 billion in capital expenditures during 2023. This amount is ~49% higher compared to the previous year and will be used to drive the use of digital tools, increase production, and distribution capacity, as well as strengthen new beverage categories. Likewise, 50% of the resources will be invested in Mexico's operations, while the remaining 50% will be invested in the US and South America.

**POSITIVE implication:** We view the announcement as positive, supporting the business's current strategy, alongside with KO's agreement to continue driving organic growth by leveraging its logistics platform and capitalizing on its analytical tools. Additionally, lower costs of goods sold for the year would benefit margins. We reiterate the firm in our [top-picks](#), given the favorable outlook, with an outstanding financial strength ND/EBITDA at 0.5x and a valuation that remains attractive with a FV/BITDA multiple at 8.6x.

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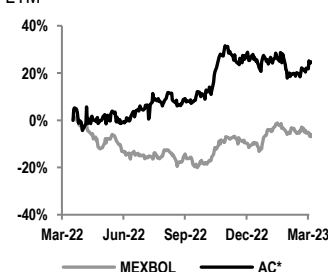
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#### BUY

Current Price	\$163.36
<b>PT</b>	<b>\$179.00</b>
Expected dividend	\$6.60
Dividend (%)e	4.0%
Upside Potential	13.6%
Max – Min LTM (\$)	170.1-123.7
Market Cap (US\$m)	15,727.4
Shares Outstanding (m)	1,744.3
Float	25.0%
Daily Turnover (\$m)	303.6
<b>Valuation metrics LTM</b>	
FV/EBITDA	8.6x
P/E	18.6x
MSCI ESG Rating*	A

#### Relative Performance to Mexbol LTM



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## Certification of Analyst.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Manuel Jiménez Zaldivar, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Víctor Hugo Cortes Castro, José Itzamna Espitia Hernández, Carlos Hernández García, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, Miguel Alejandro Calvo Domínguez, José De Jesús Ramírez Martínez, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Isaías Rodríguez Sobrino, Paola Soto Leal and Daniel Sebastián Sosa Aguilar, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services

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	Reference
<b>BUY</b>	When the share expected performance is greater than the MEXBOL estimated performance.
<b>HOLD</b>	When the share expected performance is similar to the MEXBOL estimated performance.
<b>SELL</b>	When the share expected performance is lower than the MEXBOL estimated performance.

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### History of PT and Ratings

Stock	Date	Rating	PT
AC	26/10/22	BUY	\$179.00
AC	19/09/22	BUY	\$156.42
AC	21/07/22	BUY	\$150.02

### MSCI ESG Rating scale

CCC	B	BB	BBB	A	AA	AAA
LAGGARD	AVERAGE			LEADER		

\*The MSCI ESG Rating is an indicator that evaluates companies in Environment, Society and Governance (ESG) metrics.

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