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BMV: AC.MX

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ARCA CONTINENTAL

HOLD | LAST PRICE \$117.0 (APRIL 8, 2016) | TARGET PRICE: 111.7

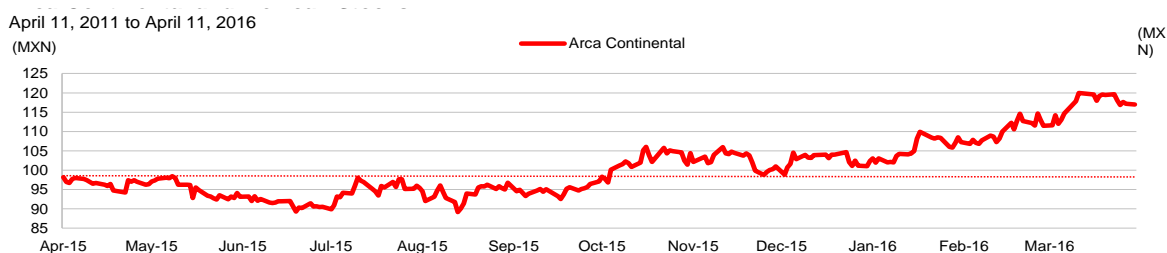
Key Takeaways

- **Revenue growth driven by North America and acquisitions along with strong free cash generation result in a HOLD recommendation.**

AC is growing primarily by the acquisitions made, during the period from 2010-2015 8 acquisitions took place. Factoring them out, AC has a low or conservative growth in all regions. North America representing 68% of its sales had a historical median of organic growth of 0.1% (with acquisitions of 3.2% and excluding 2014 due to tax imposed to sugary beverages of 13.4%). Future sales volume for North America is driven by GDP growth of the states in which AC has operations resulting in a CAGR of 2.5% for sales volume from 2016-2020. CAGR for average price per unit case for 2016-2020 results in 2.2% and is correlated with Mexican inflation in a .92 level. With both these estimates sales value will grow at a CAGR of 4.8%. In South America, mainly represented by Ecuador, all M&A activity belonging to this country was factored out and CAGR for future sales volume is expected at 1%. "Other" category composed of snacks sold in all regions and is expected to have a CAGR of -3%.

The company is expected to fund revenue growth with internally generated cash from operations. Cash Flow will be sufficient for maintenance Capex, working capital requirements and dividend payments in the forecasted years. Strong liquidity as demonstrated by the company's cash balance and its debt maturity schedule allow the company ample access to sources of financing and low cost of funding. Arca Continental's enterprise value is supported by the company's expected positive free cash flow generation and its low WACC.

Figure 1 – Arca Continental share price



Source: Bloomberg

COMPANY BACKGROUND

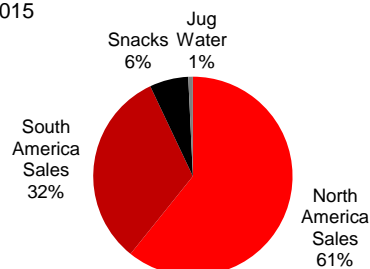
Arca Continental is a company dedicated to the production, distribution and selling of beverages from The Coca Cola Company and salty snacks from Bokados brand and other recognized brands within US and Ecuador. Arca was born from the integration of three group bottlers in Mexico. It now constitutes the second biggest bottler for The Coca Cola Company (TCCC) products in Latin America. AC, as its ticker in BMV, distributes its products in the northern part of Mexico, USA, Ecuador and the northern region of Argentina. Arca Continental was born in 2011 from the integration of Embotelladoras Arca and Grupo Continental, which helped the company achieve its current position in the market. Total sales value for the company in 2015 result in MXN76,455 million. Together with Coca-Cola FEMSA, the biggest bottler for TCCC products in Latin America, make up the 30% of market share for total beverages in Mexico and 70% of market share for carbonated soft drinks. Proportion between AC and KOFL for such market shares is 40% and 60% respectively.

Figure 2 – AC global presence



Sales Breakdown

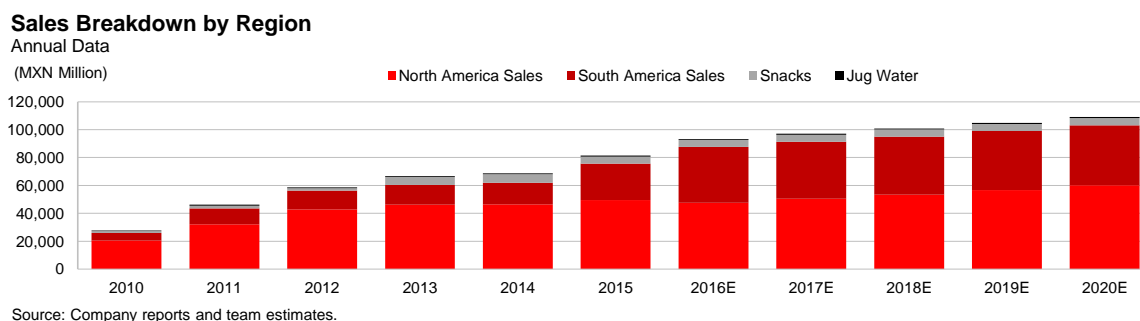
FY 2015



Source: Company reports.

Figure 3 – Sales breakdown

Figure 4 – Sales breakdown by region



REVENUE GROWTH

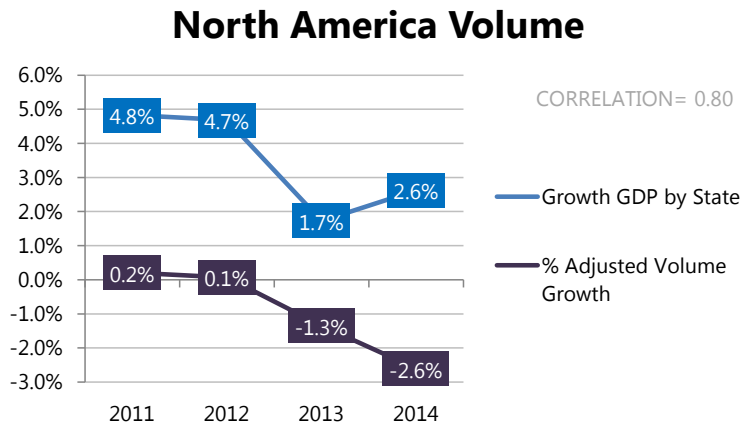
Beverages

North America

Sales volume for AC North America is composed entirely by beverages: carbonated soft drinks, non-carbonated soft drinks, dairy and water in individual format. Snacks and jug water are also distributed in Mexico and a part of USA but for the purpose of the analysis and the weight of the categories against total revenues they will be separated in "Other" category which will be further analyzed.

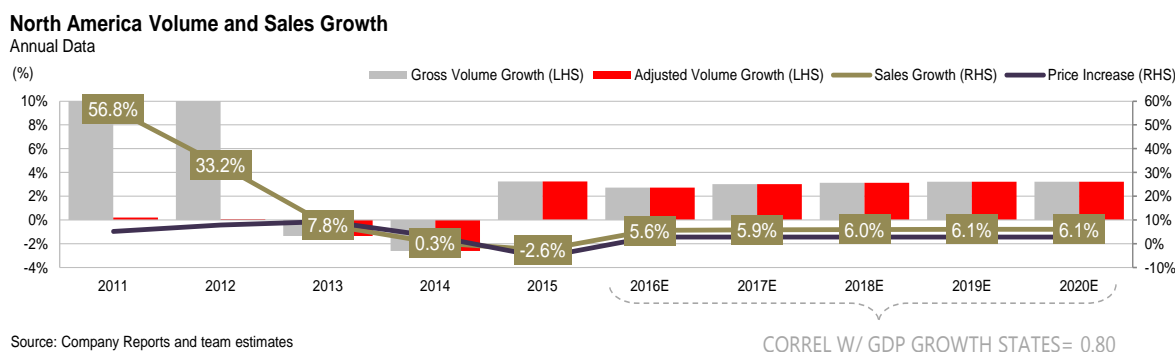
Sales volumes for this region were obtained by factoring out the M&A activity of the company. In North America, the relevant M&A activity from 2010-2015 was the merge between Embotelladoras ARCA and Grupo Continental in June 1st 2011. This integration positioned the company in its current place against the market as the second most important bottler for TCCC. Sales volume for Grupo Continental for the remaining of 2011 (213 days) were subtracted for the same year in order to calculate the organic growth from 2010 to 2011 resulting in 0.2%. Organic growth for 2011 to 2012 resulted in .1%, this was obtained by adding the full year of sales volume in 2011 of Grupo Continental which amounted to 409 million unit cases to the volume without acquisitions and comparing it to gross sales volume reported which already contained this merging. With acquisitions, volume growth results in 49% for 2011 and 23% for 2012. Median of the gross volume growth from 2011-2015 results in 3.2% for North America while median of the adjusted volume growth (without acquisitions) results in only 0.1%.

Figure 5- Correlation between GDP by state and adjusted volume growth (North America)



Organic volume growth for all years except 2014, which was affected by the new tax imposed on sugary beverages, was compared to growth in population for Mexico (excluding as well 2014) and found a correlation of -.56. Same organic growth was compared then to national GDP growth rate and found a correlation of .05. GDP growth rate was extracted for the states in which AC has presence in Mexico for the available years (2011-2014) and compared to organic volume growth for the same years and found a correlation of .80. This correlation will be further used to obtain the projected sales volumes for North America. Since projections by state are not available in public sources an estimate was calculated using national projection for GDP growth in Mexico. An index of GDP growth by state over National GDP growth was created and found that economy at the northern part of Mexico in which AC operates is 1.21 times higher (median value) than the national GDP growth from 2011 to 2014. This over indexation is due to the industrialism in the northern part of the country where many steel, concrete and beverage companies locate their factories and headquarters. Closeness to the US border is also reflected since many *maquilas* locate in border cities.

Figure 6- Gross and adjusted volume growth vs Sales and Price growth (North America)



Projections per year from 2016 to 2020 for national GDP growth rate were taken from the IMF, multiplied it by the median of the index previously explained and by the correlation of .80 resulting in each volume per year projected. CAGR for the projected years 2016-2020 resulted in 2.5%.

Excluding 2014, median price growth rate amounts to 6.5% while Mexican inflation median growth for same period (2011-2015 excluding 2014) is 3.6%. Correlation was obtained for both growths from 2011 to 2015 resulting in .92 (excluding 2014). Projected Mexican Inflation according to G20 Economic Forecast is expected to remain constant at 3%. Projected average prices for 2016 to 2020 were obtained by multiplying the forecast on inflation times correlation factor resulting in each average price per year (median of \$54.96 per unit case). CAGR for 2016-2020 average price per unit case results in 2.2%.

Historical median Sales in million Mexican pesos amount to \$42,843 excluding 2014. CAGR for sales value from 2011-2015 results in 7%. Future sales were obtained using the projections previously explained on price and volume resulting in a median from 2016 to 2020 of MXN53, 462 million and a CAGR of 4.8%. Difference between CAGRs results in extraction of M&A activity for the future, past CAGR reflects the merging between Embotelladoras ARCA and Grupo Continental and CAGR for the future is not considering any M&A activity creating a difference between them of 2.2 percentual points.

South America

Sales volume for South America conformed by Ecuador and the northern part of Argentina is composed solely by beverages: carbonated soft drinks, non-carbonated soft drinks, dairy and water in individual format. Snacks are also distributed in this region but for the purpose of the analysis and the weight of the categories against total revenues they will be separated in "Other" category which will be further analyzed.

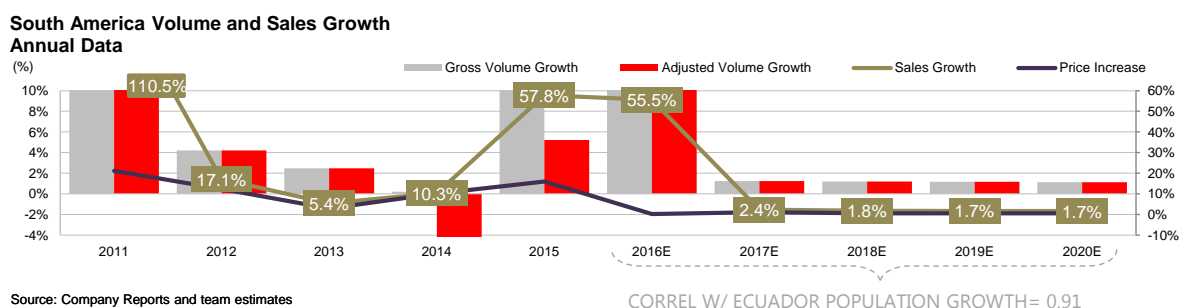
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Sales volumes for this region were obtained by factoring out the M&A activity of the company, Ecuador with all of the M&A activity pushing historical volumes forward. In October 1st 2010, the first acquisition took place when ARCA made an agreement with the main stockholders in Ecuador Bottling Company (EBC), the only bottler for TCCC products in Ecuador. EBC had annual sales volume of 120,000,000 in 2010. Factoring out this acquisition in order to get the organic volume growth, we calculated the equivalence of sales volume correspondent to the rest of the year 2010 which amounted to 29,917,808 unit cases corresponding to 91 consolidated days and resulted in 126 million unit cases for 2010 sold by AC organically. Adding this volume and the full year sales of EBC in order to make volume comparable between 2010 and 2011 organic volume growth results in 10.1% from 2010 to 2011. Organic growth for South America had a sharp increase in 2011 since it was the first year with Ecuador's operations through this acquisition, also in 2011, AC promoted the consumption of individual returnable presentations and new categories in Ecuador.

Furthermore, next M&A activity affecting sales volume took place on April 15, 2014 when AC through its subsidiary Arca Ecuador S.A. together with TCCC acquired Tonicorp, a high value dairy-product company with annual sales volume of 62 million unit cases. Following the previous methodology for acquisitions, the 260 days for the rest of the year resulted in 44 million unit cases of Tonicorp which were subtracted from the reported volume for the same year in order to obtain an organic growth for 2014 against 2013 of -15%. Holding Tonicorp had an important effect in sales volume when making both 2015 and 2014 comparable considering its integration resulted in an organic volume growth of 7% for 2015 vs 2014.

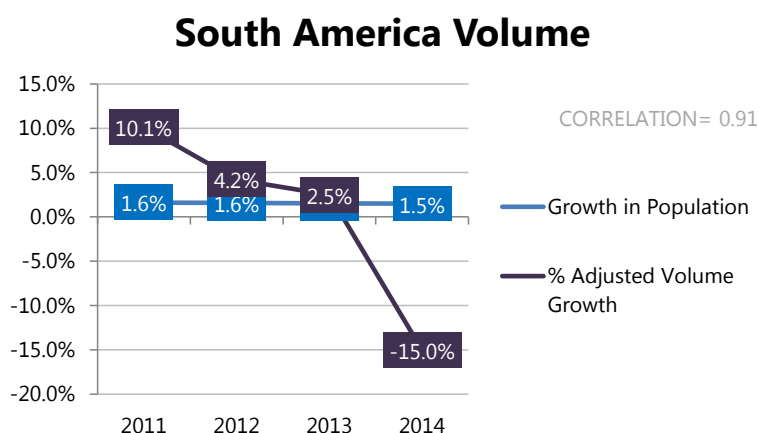
Going forward, last acquisition for this region took place on September 1st, 2015 when AC acquired Lindley, the official bottler in Peru with annual sales volume of 263 million unit cases. The sales volume of 66 million unit cases for the 91 consolidated days for the rest of 2015 were subtracted in order to get the last historical organic sales volume and further added to the full year sales volume of Lindley resulting in 592 million unit cases as the last historical volume for this region. According to Fitch Ratings in 2015, Lindley will contribute around 14% of AC's revenue and 13% of its EBITDA in 2016.

Figure 7- Gross and adjusted volume growth vs Sales and Price growth (South America)



Historical median sales volume from 2011-2015 amounts to 289 million unit cases resulting in a CAGR of 7.8% for the same period. In order to obtain estimated organic growth for sales volume from 2016 to 2020 two correlations were run. First correlation analyzed was against Ecuador's GDP growth rate for the years of 2011-2014 according to the available information resulting in .85. Second, correlation against population growth for the same period resulted in .91. The latter was used for the projected sales volume organic growth. Median growth in population for the years 2016-2020 results in 1.3% according to the University of Denver's projections. Projected volumes from 2016-2020 result by multiplying last sales volume times each years estimated population growth times correlation of .91. CAGR for the estimated years results in 1% with a median of absolute sales volume of 614.7 million unit cases. This compared to the CAGR from 2011-2015 of 7.8% and a median volume of 289 million case units for the same period.

Figure 8- Correlation between growth in population and adjusted volume growth (South America)



Historical average price per case unit resulted in a median of MXN49 from 2011 to 2015 and a median growth of 12% for the same period. In order to find estimated price per case unit for 2016 to 2020 two correlations were analyzed. First, correlation between price

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growth and inflation in Ecuador from 2011 to 2014 according to available public information resulted in 0.74. A second correlation between price growth and Equatorian GDP growth rate resulted in 0.82, this latter correlation was further used to project average price per unit case in South America. Median projected GDP growth rate according to the University of Denver results in 0.7%. Estimated average price per unit case was obtained by multiplying 2015's average price per unit case times the corresponding GDP estimated growth rate for the year times 0.82 correlation. This resulted in a CAGR for price of 0.6% and a median of MXN68 for 2016-2020.

Historical sales value for this region results in a CAGR of 18.0% and a median of MXN14,153 millions from 2011 to 2015. Projected sales value were obtained using the estimates of volume and average price previously explained resulting in a CAGR of 1.5% and a median of MXN41,601.9 millions.

Other

This category of the company is composed of the snacks sold by AC in all of its territories: Bokados brand and Productos Palma in Mexico, Wise and Sr. Snacks brands in US and INALECSA in Ecuador, all acquisitions derived in the 5 year period from 2011 to 2015.

Starting with Sr. Snacks acquired on April 4th, 2011 with annual sales of MXN88,403,000, this company has been dedicating its products since 1975 to the Hispanic consumer in California, Arizona, Nevada, Washington and Oregon. The MXN65, 636,200 representing the 271 consolidated days for the rest of 2011 were factored out from sales of such year in order to get the organic sales growth from 2010 to 2011 of 31%, growth with acquisitions results in 36%. Wise Foods Inc. acquired in December 20, 2012 and Industrias Alimentarias Ecuatorianas S.A. (INALECSA) acquired in November 19, 2012 are both integrated into one operation resulting in total annual sales of MXN3,029,670. To factor out these sales, the consolidated days were taken from Wise since this company represents around 90% of the current sales value in US snack sales. Thus the MXN91,305 representing the 11 consolidated days for the rest of 2012 were subtracted from sales value of such year in order to get the organic growth of sales of -4%. Lastly, Productos Palma acquired on June 30, 2013 is a highly recognized brand in Mexico for dried fruits flavored with spicy condiments with annual sales of MXN2,980 millions. In order to calculate the organic sales value growth the MXN1,257 sales value for the 154 consolidated days were subtracted from reported sales of 2013 in organic sales value growth of 19%.

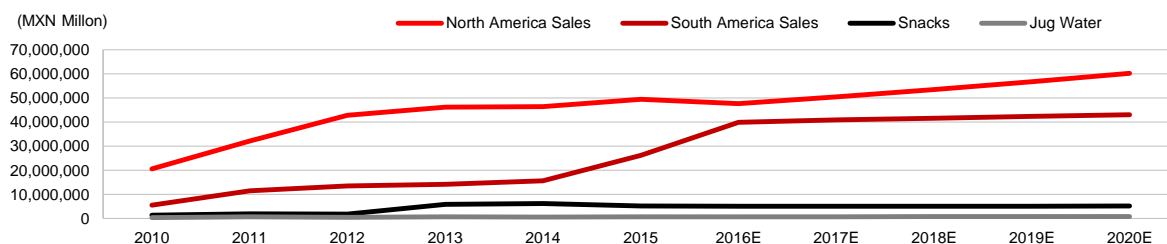
Since snack sales from both North America and South America are accounted for in this category no correlations were run against population or GDP growth. Projections were

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estimated using the historical median organic growth of -4% for all forecasted years 2016 to 2020. This estimates resulted in a sales median of MXN4,568 and a CAGR of -3% for snacks from 2016 to 2020.

Figure 9- Sales breakdown by region (version 2)

Sales Breakdown

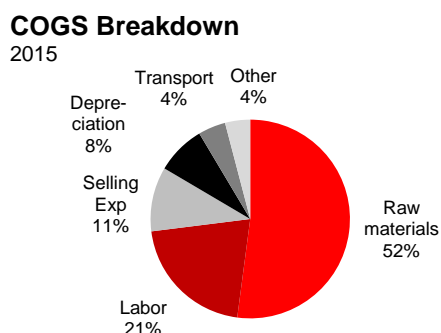


Source: Company reports and team estimates.

STRENGTHENING EBITDA MG

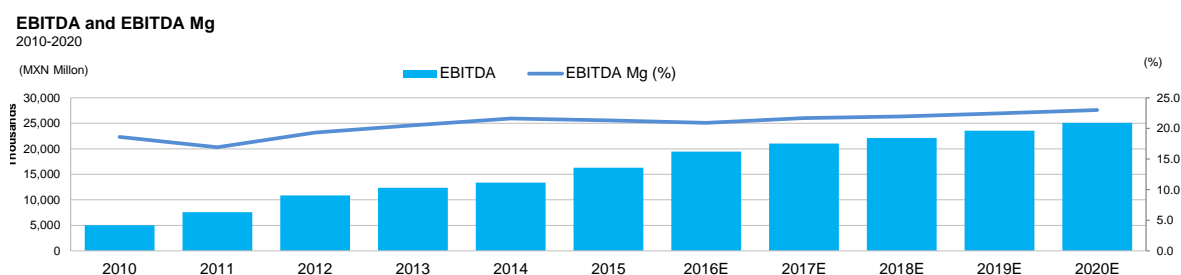
The main raw materials used in the production are those that are concentrated, acquired from TCCC, sweeteners and PET for plastic packaging. Arca Continental is exposed to exchange rate fluctuation risk due to the exchange rate in the prices of high fructose and plastic packaging representing since these costs are dollar denominated. AC hedges the price of raw materials in order avoid variations in the exchange rate price. Raw materials account for 52% of COGS and SG&A costs. EBITDA Margins have been strengthening in the last three years because of the reduced sugar and PET prices in the market. Sugar prices have decreased 13.9% in the past five years and PET decreased 4.6% while AC's EBITDA Mgs improved from 18.6% to 21.3% in the same time period. Going forward sugar and PET prices are expected to remain at current levels, further improving EBITDA Margins, reaching 23.0% in 2020. The improved EBITDA Margins are also fueled by an expected decrease in Selling and Administrative expenses as AC captures synergies arising from the incorporation of Lindley.

Figure 10- COGS breakdown



Source: Company Reports.

Figure 11- EBITDA and EBITDA Margin historic and projected



Source: Company reports and team estimates.

CASH OUTFLOWS BUT AC MANAGES TO MAINTAIN POSITIVE FCF

WORKING CAPITAL

The company has managed to maintain its working capital days relatively stable with sharp spikes resulting from M&A activity. Going forward no business acquisitions are expected in the short- to mid-term. Arca Continental is expected to maintain Days Receivable and Days Inventory at the median levels seen in the last three years, after the company fully absorbed Containental's operations. Days Payable had an increase during 2015 which was related to the acquisition of Lindley, going forward days payable are expected to slowly revert back to the median observed between 2010-2014. Since working capital days will remain relatively stable cash outflows related to working capital requirements are primarily the result of the company's increased sales projected for 2016-2020.

Figure 12- Working Capital components (historic and projected)

WORKING CAPITAL	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Days Receivable	15.88	14.88	23.43	19.21	25.16	20.51	19.77	21.15	22.91	22.91	24.23
Days Inventory	53.16	51.85	28.31	26.99	32.75	40.22	32.05	34.02	35.06	36.27	37.99
Days Payable	35.18	37.99	35.47	30.06	28.87	52.86	42.57	39.02	37.07	35.12	35.12
Working Capital Days, Net	33.85	28.75	16.27	16.13	29.04	7.86	9.26	16.15	20.90	24.06	27.11

CAPEX

Arca Continental is a company that can continue its organic growth solely funded by its cash generated from operations. Its capex levels in the past have been less than half of its Cash Flow from Operations (CFO). In the future this ratio is expected to remain as Capex will average MXN7,500 million from 2016-2020. Capex will also maintain the same proportion to sales as that seen in 2015 by remaining at around 7.5% of revenues. Capex growth will be sufficient to fuel the revenue growth that has been projected for the company. Historically and going forward Capex has nearly doubled depreciation, reinstating the fact that AC invests each year enough to cover maintenance capex, update some of the equipment and support revenue growth. Increases in fixed assets for this company have not been the result of capex, but rather the result of M&A activity. Business acquisitions have been primarily funded through debt.

Arca's investment in transportation equipment is essential for the company to maintain one of its competitive advantages; Arca takes pride in the fact that every mom and pop, no matter how remote, has Coca-Cola brand products. Investments also need to fund the installation of refrigerators, produced by Arca, in these mom and pops to ensure the product is maintained and sold at the optimum temperature. The Capex estimations going forward have taken these investments into consideration. In 2014, ARCA invested MXN230 million in transportation equipment which supported a revenue growth of 2.65% compared to 2013. Projected revenue growth reaches 4% for the 2016-2020 forecasted period, CAPEX estimations around MXN7 billion fully cover the potential increase in transportation equipment.

Figure 13- CAPEX and Dividends (historic and projected)

CAPEX & DIVIDENDS	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Funds Flow from Operations	4,597	6,016	9,260	7,978	13,227	10,213	13,213	14,924	15,985	16,945	18,193
Working Capital	95	-694	-610	-42	-1,446	766	-736	-1,277	-1,101	-703	-926
Cash Flow from Operations	4,693	5,322	8,650	7,936	11,781	10,979	12,477	13,647	14,884	16,243	17,267
Capex	-1,350	-2,136	-4,491	-4,862	-4,032	-5,728	-6,798	-7,210	-7,541	-7,847	-8,174
FCF	3,342	3,186	4,159	3,074	7,749	5,250	5,679	6,437	7,343	8,396	9,092
Dividends	-846	-5,020	-2,417	-4,834	0	-2,964	-2,801	-3,048	-3,162	-3,416	-3,677
Business Acquisitions	-4,446	-1,416	-3,454	-489	-2,130	-15,069	0	0	0	0	0
FCF Net of Acquisitions	-1,950	-3,250	-1,712	-2,249	5,619	-12,783	2,878	3,389	4,181	4,980	5,416

DIVIDENDS

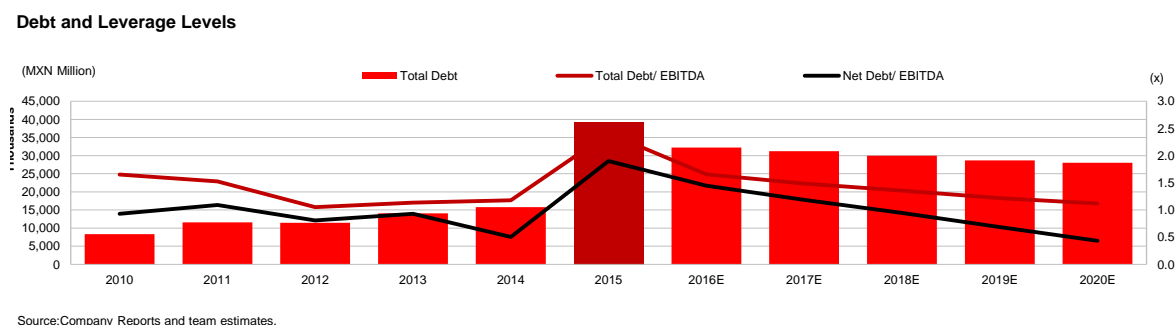
Arca Continental's Control Group has 71% of the outstanding shares, The Coca Cola Company owns 9% and the remaining 20% is the public float. Arca Continental started off as a family company and the founding families still own the vast majority of shares. The thing that sets AC apart from other Coca-Cola Bottlers is the way they approach M&As; instead of acquiring entities and eliminating the previous owners, AC absorbs the other entities and gives previous owners AC stock. Arca Continental's Control Group is made up of the owners of not only Arca, but also some of the owners of the entities that have merged with AC over the years. Some of the members of the Control Group are also members of the Board, the Board decides the dividend payout.

Historically, from 2010- 2015 the median Dividend as a percentage of sales has been 4.3%. In Mexico tax law related to dividend payout was drastically changed in 2014, companies foresaw these changes and paid 2014's dividends during 2013 to avoid the increased tax on dividends. Without taking into consideration the extraordinary dividend payout during 2013, the median dividend payout measured as dividends over Net Income was 4.2%. going forward AC is expected to maintain dividend payments at around MXN3,400 million or a median of 3.5% of sales. The reasoning behind the decrease in median dividend payments is that the historic mean is influenced by an extraordinary dividend payout during 2011 that is not expected to repeat itself in the short- to mid-term. On average 8% of the dividends paid go directly to Non-Controlling Interest, also known as The Coca-Cola Company. These dividends have shown very little volatility in the past and are expected to remain at the current levels.

DEBT AT ITS PEAK

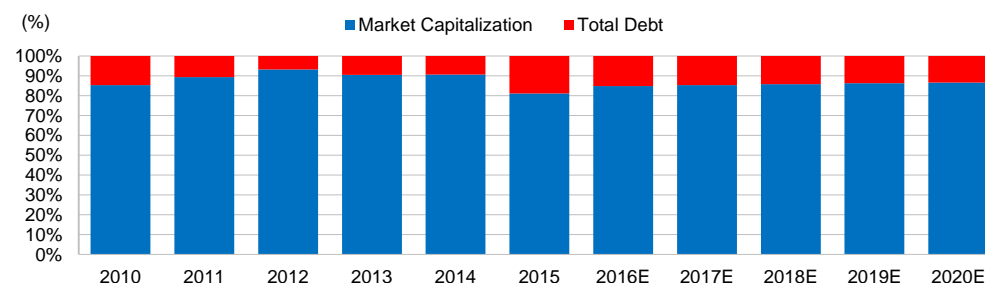
The company's cash generated from operations has shown to be sufficient to fund organic growth; Arca Continental's increases in debt levels have been driven by debt funded acquisitions. AC significantly increased its debt from MXN15,777 million in 2014 to MXN39,245 million in 2015. Debt was used to finance the purchase of Peru's Corporación Lindley, S.A. (Lindley). Lindley produces, distributes and markets Inca Kola and Coca-Cola soft drinks in Peru; it is the only Coca-Cola bottler in the country. The acquisition of Lindley was funded with MXN15,476 million in bank loans and AC consolidated MXN9,864 million of debt from Lindley. The bank loans will not come due until 2020 and the interest payments on the loans are Libor plus 0.45.

Figure 14- Debt and Debt/EBITDA (historic and projected)



Company management, seeking to avoid currency exchange risk, has naturally hedged its debt by sourcing debt locally. Arca holds debt in Mexican pesos, United States Dollars and Argentinian pesos. Management has also reduced currency volatility by using exchange rate and interest rate derivative instruments. Exchange rate derivatives are used to hedge the company's USD denominated debt to the MXN peso.

Figure 15- Debt and equity structure (historic and projected)



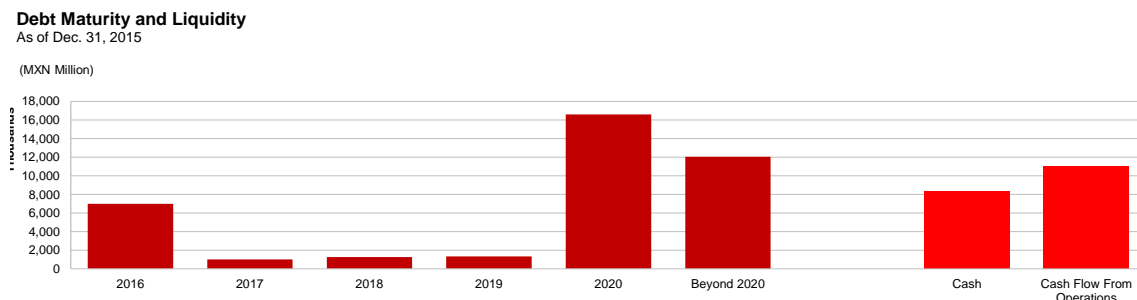
Source: Company reports and team estimates.

Arca's debt rating of "A" on a global scale and "AAA(mex)" on a national scale allow the company ample access to debt markets and low costs of funding. Arca Continental's weighted average cost of debt as of December 31, 2015 is 3.86%. Low interest payments and debt maturity schedules without significant maturities until 2020 give the company a strong liquidity. Liquidity is also strengthened by the cash generated by the operations, which, together with the cash on hand, more than covers the company's short term debt maturities. Cash flow generation going forward, with the absence of principal payments and together with a strong free cash flow generation, will allow AC to increase its Cash and Cash equivalents, reducing its net debt to EBITDA from 1.9 times (x) in 2015 to 0.4x in 2020. Leverage metrics will benefit from the incorporation of Lindley's full year results starting 2016. The analysis assumes that debt is refinanced as it comes due and that the company

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will maintain a stable debt to equity ratio from 2015-2020. Interest payments for 2016 to 2020 are expected to be renegotiated in refinanced debt with similar costs.

Figure 16- Debt maturity and liquidity



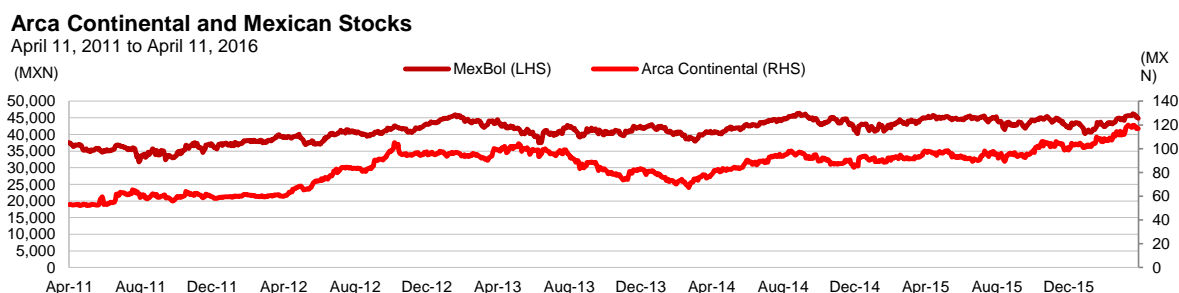
Source: Company Reports.

TARGET PRICE CLOSE TO MARKET PRICE

Arca Continental's share price beta with regards to the Mexican Stock Exchange Index is 0.42 when measured for the last five years, and decreases to 0.36 when measured for the last year. This beta is very similar to that of its close competitor Coca-Cola Femsa (KOF), whose beta is 0.48. The market has a similar perception of these two companies despite the fact that KOF is exposed to economies that are more volatile than those that AC is exposed to since KOF operates in Brazil and Venezuela. For the purposes of the WACC calculation, the beta was based on the returns for the past five years. The beta used for Arca, just like its competitors' betas, is low. The characteristics of the Mexican Stock Exchange Index give way to too low betas for stocks that do not have a significant weight in the Index. The index is weighted on the volume of shares traded during a given year. The reasons why AC's beta is low are due to two main factors: first, there is one company, America Móvil, from the telecommunications industry whose influence on the index is capped to the maximum allowed (16.63%) leaving a low significance for the remaining 34 companies; for instance, AC composes only 1.12% of the index. Second, last year 2015 there was an important IPO for the automotive industry creating a strong movement in the Mexican Stock Exchange.

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Figure 17- Arca Continental and Mexican Stocks



Source: Bloomberg

The weighted average cost of debt for Arca Continental as of December 31, 2015 is 3.9%. The cost of debt decreased from the implied cost of funds perceived in 2014 of 6.2% because of the debt used to fund the recent acquisition. The debt obtained interest payment of Libor plus 0.45 and this debt represents 30.1% of Arca's Total Debt. Cost of debt going forward is expected to remain low, as the company's high credit rating allows ample access to debt markets and low cost debt.

The expected terminal growth rate is that of the compounded organic growth rate expected for the next five years. With this, the target price calculated for Arca is above what it had been trading at prior to the incorporation of Lindley. The stock had been trading at below MXN100 prior to October 2015. After the announcement of the acquisition the share traded at around MXN110 and when the financial statements for the fourth quarter were published, with significant revenue increases stemming from the Lindley operations, the market further increased the share price reaching a maximum of 119.9. The market recognized that the combination of these two entities was worth more than MXN100.

Figure 18- Weighted Average Cost of Capital and Sensitivity Analysis

			Sensitivity Analysis					Perpetual Growth Rate				
WACC			2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	
	6.57%		5.8%	129.05	132.86	136.89	141.16	145.69	150.51	155.64	161.11	166.97
			5.9%	124.90	128.50	132.29	136.31	140.56	145.07	149.87	154.98	160.44
Cost of Capital	6.96%		6.0%	120.97	124.36	127.94	131.73	135.72	139.96	144.46	149.24	154.33
Risk Free Rate	4.00%	W	6.1%	117.23	120.45	123.83	127.39	131.16	135.15	139.37	143.85	148.61
Beta	0.42284	A	6.2%	113.68	116.72	119.92	123.29	126.85	130.60	134.57	138.77	143.24
Market Return	7.00%	C	6.3%	110.30	113.19	116.22	119.41	122.76	126.30	130.04	134.00	138.18
		C	6.4%	107.08	109.82	112.69	115.71	118.89	122.23	125.76	129.49	133.42
Cost of Debt	3.86%		6.5%	104.01	106.61	109.34	112.20	115.21	118.38	121.71	125.22	128.93
Tax Rate	25.67%		6.6%	101.07	103.55	106.14	108.86	111.72	114.71	117.86	121.18	124.68
			6.7%	98.26	100.62	103.09	105.68	108.39	111.23	114.22	117.36	120.66
Debt	10%		6.8%	95.58	97.83	100.18	102.64	105.22	107.91	110.75	113.72	116.85
Equity	90%		6.9%	93.00	95.15	97.39	99.74	102.19	104.75	107.44	110.26	113.23
			7.0%	90.53	92.59	94.73	96.96	99.30	101.74	104.30	106.97	109.79
Debt+Equity	100%		7.1%	88.17	90.13	92.17	94.31	96.53	98.86	101.29	103.84	106.51

April 13, 2016

Figure 19- Discounted Cash Flow

Arca Continental, S.A.B. de C.V.											
Discounted Cash Flows											
(MXN Thousands)	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Revenues	27,060,243	44,797,561	56,268,733	60,359,156	61,957,271	76,453,841	93,218,679	97,039,649	100,832,455	104,853,019	109,064,258
Cost of Goods Sold	14,658,949	24,553,137	30,234,128	31,343,512	31,568,967	39,363,362	47,994,981	49,491,488	51,425,869	52,962,643	55,089,795
Gross Profit	12,401,294	20,244,424	26,034,605	29,015,644	30,388,304	37,090,479	45,223,699	47,548,161	49,406,586	51,890,376	53,974,463
SG&A	8,181,681	13,597,903	17,366,928	18,987,818	19,823,825	24,498,684	29,594,305	30,650,692	31,953,905	33,232,440	34,035,358
Other Income (Expense)	330,625	809,012	204,571	169,883	(173,744)	(162,106)	187,227	178,555	174,219	172,051	173,135
EBIT	3,888,988	5,837,509	8,463,106	9,857,943	10,738,223	12,753,901	15,442,167	16,718,914	17,278,463	18,485,885	19,765,971
Income Taxes	1,020,892	847,120	2,442,236	2,774,685	3,088,975	3,433,675	3,684,636	4,002,461	4,149,371	4,478,738	4,817,517
NOPLAT	2,868,096	4,990,389	6,020,870	7,083,258	7,649,248	9,320,226	10,809,517	11,703,240	12,094,924	12,940,119	13,836,179
Depreciation	1,126,560	1,731,950	2,421,023	2,480,421	2,702,375	4,297,621	4,035,060	4,309,860	4,860,007	5,055,333	5,312,742
Cash Flow Generation	3,994,656	6,722,339	8,441,893	9,563,679	10,351,623	13,617,847	14,844,577	16,013,100	16,954,931	17,995,453	19,148,921
Decrease (Increase) Receivables	(208,021)	(361,957)	(854,050)	134,293	(891,290)	503,008	(754,198)	(572,436)	(706,789)	(252,362)	(659,162)
Decrease (Increase) Inventories	60,568	(545,770)	(138,477)	(93,016)	(316,812)	(407,199)	122,307	(398,179)	(325,826)	(323,243)	(471,997)
Increase (Decrease) Suppliers	242,619	213,575	382,977	(83,531)	(237,620)	669,949	(103,674)	(306,458)	(68,088)	(127,023)	204,660
Capital Expenditures	(1,350,373)	(2,136,162)	(4,490,915)	(4,861,570)	(4,031,608)	(5,728,228)	(6,798,156)	(7,209,818)	(7,541,266)	(7,846,652)	(8,174,179)
Total Investment	(1,255,207)	(2,830,314)	(5,100,465)	(4,903,824)	(5,477,330)	(4,962,470)	(7,533,721)	(8,486,890)	(8,641,968)	(8,549,280)	(9,100,677)
Cash Flow	2,739,449	3,892,025	3,341,428	4,659,855	4,874,293	8,655,377	7,310,856	7,526,210	8,312,963	9,446,173	10,048,245
Terminal Value											253,243,035
Total Cash Flow	2,739,449	3,892,025	3,341,428	4,659,855	4,874,293	8,655,377	7,310,856	7,526,210	8,312,963	9,446,173	263,291,280
WACC							6.57%				
Discounted Cash Flows							6,860,336	6,627,209	6,868,902	7,324,274	191,567,716
Enterprise Value							219,248,437				
Debt							39,245,082				
Equity Value							180,003,355				
Shares Outstanding							1,611,263				
Perpetual Growth Rate							2.50%				
Target Price							111.72				
Difference Between Mkt/Target Price							-4.52%				

FINANCIALS AND FORECASTS

Arca Continental, S.A.B. de C.V. Balance Sheet (MXN Thousands)											
	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Assets											
Cash and Cash Equivalents	3,628,418	3,298,145	2,676,198	2,565,653	9,039,309	8,306,921	4,037,298	6,266,652	9,038,687	12,537,753	17,194,592
Cash on Hand	3,628,418	3,298,145	2,676,198	2,565,653	9,039,309	8,306,921	0	0	0	0	0
Restricted Cash							4,037,298	6,266,652	9,038,687	12,537,753	17,194,592
Accounts Receivable, Net	1,176,994	1,825,997	3,612,217	3,176,450	4,271,207	4,295,616	5,049,814	5,622,250	6,329,039	6,581,401	7,240,563
Inventories	2,134,987	3,488,216	2,344,816	2,317,313	2,832,499	4,337,308	4,215,001	4,613,180	4,939,005	5,262,248	5,734,245
Other Current Assets	724,209	976,522	0	180,370	309,626	2,463,580	2,494,797	2,597,057	2,698,566	2,806,165	2,918,869
Prepaid Expenses	140,281	466,974		180,370	269,014	384,443	1,584,657	1,649,611	1,714,086	1,782,433	1,854,021
Related parties					40,612	22,687	81,807	85,161	88,489	92,017	95,713
Other	583,928	509,548				2,056,450	828,333	862,285	895,988	931,714	969,135
Total Current Assets	7,664,608	9,588,880	8,633,231	8,239,786	16,452,641	19,403,425	15,796,910	19,099,138	23,005,294	27,187,567	33,088,269
Property Plant and Equipment, Net	12,315,442	21,161,843	22,523,844	24,170,930	25,321,345	45,060,361	47,823,456	50,723,414	53,404,673	56,195,992	59,057,428
Property	1,776,764	4,866,716	4,642,469	4,649,834	4,923,095	4,923,095	4,923,095	4,923,095	4,923,095	4,923,095	4,923,095
Plant	5,305,124	8,230,444	8,500,018	8,725,599	9,223,757	20,156,475	27,165,732	27,165,732	27,165,732	27,165,732	27,165,732
Equipment	8,927,326	12,460,515	13,373,177	13,655,798	14,376,164	24,473,421	31,271,577	38,481,394	46,022,660	53,869,312	62,043,491
Construction	318,938	990,821	610,553	1,605,395	2,220,878	7,009,257		0	0	0	0
Transportation Equipment	7,407,519	11,910,006	16,168,799	18,737,522	20,368,509	17,504,865	17,504,865	17,504,865	17,504,865	17,504,865	17,504,865
Accumulated Depreciation	(11,420,229)	(17,296,659)	(20,771,172)	(23,203,218)	(25,791,058)	(29,006,752)	(33,041,812)	(37,351,672)	(42,211,679)	(47,267,013)	(52,579,754)
Intangible Assets, Net	8,033,213	8,295,716	15,477,088	17,018,075	18,982,105	29,924,183	29,924,183	29,924,183	29,924,183	29,924,183	29,924,183
Investment in Shares of Associated Companies	696,312	2,428,551	2,982,560	3,801,469	3,925,662	4,490,533	4,490,533	4,490,533	4,490,533	4,490,533	4,490,533
Other Non-Current Assets, Net	5,882,265	18,939,867	14,833,871	13,118,943	15,685,632	32,884,812	34,883,355	36,313,200	37,732,506	39,237,041	40,812,928
Employee Benefits	20,879						0	0	0	0	0
Intangible Assets and other assets	5,861,386	18,359,214	13,662,477	12,395,641	14,663,256	31,308,789	32,878,098	34,225,749	35,563,467	36,981,514	38,466,812
Deferred Income		580,653	1,171,394	723,302	1,022,376	1,576,023	2,005,257	2,087,451	2,169,039	2,255,527	2,346,116
Total Non-Current Assets	26,927,232	50,825,977	55,817,363	58,109,417	63,914,744	112,359,889	117,121,528	121,451,330	125,551,895	129,847,749	134,285,073
Total Assets	34,591,840	60,414,857	64,450,594	66,349,203	80,367,385	131,763,314	132,918,438	140,550,468	148,557,189	157,035,316	167,373,341
Liabilities and Equity											
Suppliers	1,413,073	2,555,330	2,938,307	2,581,374	2,497,338	5,700,951	5,597,277	5,290,819	5,222,731	5,095,708	5,300,369
Bank Loans and Notes Payable	530,965	1,371,396	710,185	2,376,362	1,698,672	6,995,037	1,000,969	1,261,520	1,328,219	606,629	2,052,698
Current Portion of Non-Current Debt											
Other Current Liabilities	1,861,822	2,430,059	4,026,441	3,091,468	6,391,858	6,737,437	6,761,644	6,972,475	7,244,995	7,461,499	7,761,178
Other	314,066	542,098		36,432	4,085,737	3,669,242	1,918,521	1,978,342	2,055,665	2,117,095	2,202,125
Derivative Financial Instruments							0	0	0	0	0
Deferred Income Tax	1,547,756	1,887,961	4,026,441	2,926,979	1,851,024	3,068,195	4,690,820	4,837,083	5,026,141	5,176,338	5,384,237
Related Parties				128,057	455,097		152,302	157,051	163,189	168,066	174,816
Current Liabilities	3,805,860	6,356,785	7,674,933	8,049,204	10,587,868	19,433,425	13,359,890	13,524,814	13,795,945	13,163,837	15,114,244
Bank Loans and Notes Payable	7,787,200	10,204,092	10,732,073	11,701,140	14,077,954	32,250,045	31,249,066	29,987,546	28,659,327	28,052,698	26,000,000
Deferred Income Tax	2,928,856	3,334,396	3,477,860	4,590,255	4,984,128	10,207,672	10,207,672	10,207,672	10,207,672	10,207,672	10,207,672
Other Non-Current Liabilities	400,279	1,408,191	1,462,689	824,834	1,333,091	1,921,764	2,141,502	2,208,276	2,294,586	2,363,156	2,458,068
Deferred Employee's Profit Sharing	190,309	1,226,746	1,224,836	717,199	1,224,703	1,767,243	1,891,517	1,950,496	2,026,731	2,087,296	2,171,129
Derivative Financial Instruments	57,382	62,155	50,127				33,582	34,630	35,983	37,058	38,547
Other Deferred Liabilities	152,588	119,290	187,726	107,635	108,388	154,521	216,403	223,150	231,872	238,801	248,392
Total Non-Current Liabilities	11,116,335	14,946,679	15,672,622	17,116,229	20,395,173	44,379,481	43,598,240	42,403,494	41,161,585	40,623,526	38,665,740
Total Liabilities	14,922,195	21,303,464	23,347,555	25,165,433	30,983,041	63,812,906	56,958,130	55,928,308	54,957,530	53,787,363	53,779,984
Non-Controlling Int Consolidated Subsidiaries	2,345,563	2,722,617	2,497,220	2,831,312	3,320,080	16,906,549	16,906,549	16,906,549	16,906,549	16,906,549	16,906,549
Equity											
Capital Stock	4,697,989	5,696,249	971,558	971,558	971,558	971,558	971,558	971,558	971,558	971,558	971,558
Additional Paid-In Capital	728,659	26,861,182	28,104,361	28,094,581	28,120,700	28,141,267	28,141,267	28,141,267	28,141,267	28,141,267	28,141,267
Retained Earnings	12,279,910	2,992,821	10,933,979	11,694,207	18,507,756	22,855,851	30,327,772	38,457,762	46,893,957	56,005,669	65,813,726
Net Income (Current Period)						7,246,253	10,515,664	11,441,802	11,872,742	12,823,436	13,803,442
Retained Earnings	12,279,910	2,992,821	10,933,979	11,694,207	18,507,756	15,609,598	19,812,108	27,015,960	35,021,215	43,182,233	52,010,284
Stock Repurchases							40,072	34,073	37,073	35,573	36,323
Cumulative and other Comprehensive Income	(382,476)	838,524	(1,404,079)	(2,407,888)	(1,535,750)	(924,817)	(426,911)	110,951	649,255	1,187,337	1,723,934
Translation Effect	(382,476)	838,524	(1,404,079)	(2,407,888)	(1,535,750)	(1,010,771)	(1,207,425)	(1,305,752)	(1,354,916)	(1,330,334)	(1,318,043)
Other Comprehensive Income						85,954	780,514	1,416,703	2,004,170	2,517,671	3,041,977
Total Equity	17,324,082	36,388,776	38,605,819	38,352,458	46,064,264	51,043,859	59,053,758	67,715,611	76,693,109	86,341,404	96,686,808
Total Liabilities and Equity	34,591,840	60,414,857	64,450,594	66,349,203	80,367,385	131,763,314	132,918,437	140,550,468	148,557,189	157,035,316	167,373,341

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Arca Continental, S.A.B. de C.V. Earnings (MXN Thousands)											
	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Revenues	27,060,243	44,797,561	56,268,733	60,359,156	61,957,271	76,453,841	93,218,679	97,039,649	100,832,455	104,853,019	109,064,258
Cost of Goods Sold	14,658,949	24,553,137	30,234,128	31,343,512	31,568,967	39,363,362	47,994,981	49,491,488	51,425,869	52,962,643	55,089,795
Gross Profit	12,401,294	20,244,424	26,034,605	29,015,644	30,388,304	37,090,479	45,223,699	47,548,161	49,406,586	51,890,376	53,974,463
SG&A	8,181,681	13,597,903	17,366,928	18,987,818	19,823,825	24,498,684	29,594,305	30,650,692	31,953,905	33,232,440	34,035,358
Depreciation and Amortization	1,149,096	1,739,142	2,403,097	2,527,715	2,654,875	3,536,121	4,035,060	4,309,860	4,860,007	5,055,333	5,312,742
Administrative, Selling	7,032,585	11,858,761	14,963,831	16,460,103	17,168,950	20,962,563	25,559,245	26,340,832	27,093,898	28,177,107	28,722,616
Other income (expense)	330,625	809,012	204,571	169,883	(173,744)	(162,106)	187,227	178,555	174,219	172,051	173,135
EBIT	3,888,988	5,837,509	8,463,106	9,857,943	10,738,223	12,753,901	15,442,167	16,718,914	17,278,463	18,485,885	19,765,971
Interest Expense	(440,492)	(817,656)	(794,584)	(881,211)	(981,432)	(1,425,321)	(1,244,236)	(1,205,618)	(1,156,948)	(1,105,704)	(1,082,299)
Interest Income	161,010	214,747	139,753	156,625	209,435	381,908	380,986	362,314	358,660	382,224	402,392
Foreign exchange (loss) gain, net	102,044	136,327	(28,440)	(43,114)	(14,351)	(774,806)	(35,777)	(39,446)	(37,611)	(38,528)	(38,070)
Other Financial Income (Expense)	(29,247)	42,799	(197,249)	(203,661)	(187,629)	(191,526)	(246,624)	(280,810)	(279,244)	(279,244)	(283,822)
Earnings before Tax	3,682,303	5,413,726	7,582,586	8,886,582	9,764,246	10,935,682	14,351,614	15,589,540	16,161,754	17,444,632	18,764,172
Income Taxes	1,020,892	847,120	2,442,236	2,774,685	3,088,975	3,433,675	3,684,636	4,002,461	4,149,371	4,478,738	4,817,517
Equity Income of Associated Companies	13,256	96,136	135,665	130,755	89,380	157,032	113,446	122,100	126,428	124,264	123,182
Consolidated Net Income	2,674,667	4,662,742	5,276,015	6,242,652	6,764,651	7,659,039	10,780,423	11,709,179	12,138,810	13,090,159	14,069,837
Non-controlling Interest	(43,149)	(152,382)	(231,121)	(269,995)	(259,523)	(412,786)	(264,759)	(267,377)	(266,068)	(266,723)	(266,395)
Net Income	2,631,518	4,510,360	5,044,894	5,972,657	6,505,128	7,246,253	10,515,664	11,441,802	11,872,742	12,823,436	13,803,442
Depreciation and Amortization	1,149,096	1,739,142	2,403,097	2,527,715	2,654,875	3,536,121	4,035,060	4,309,860	4,860,007	5,055,333	5,312,742
EBITDA	5,038,084	7,576,651	10,866,203	12,385,658	13,393,098	16,290,022	19,477,227	21,028,774	22,138,470	23,541,218	25,078,712

Key Assumptions (Vertical Analysis)	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Sales Growth		65.55%	25.61%	7.27%	2.65%	23.40%	21.93%	4.10%	3.91%	3.99%	4.02%
Gross Margin (%)	45.83%	45.19%	46.27%	48.07%	49.05%	48.51%	48.51%	49.00%	49.00%	49.49%	49.49%
Admin & Sales/ Revenues (%)	25.99%	26.47%	26.59%	27.27%	27.71%	27.42%	27.42%	27.14%	26.87%	26.87%	26.34%
SG&A/ Revenues (%)	30.24%	30.35%	30.86%	31.46%	32.00%	32.04%	31.75%	31.59%	31.69%	31.69%	31.21%
EBIT Margin (%)	14.37%	13.03%	15.04%	16.33%	17.33%	16.68%	16.57%	17.23%	17.14%	17.63%	18.12%
EBITDA Margin (%)	18.62%	16.91%	19.31%	20.52%	21.62%	21.31%	20.89%	21.67%	21.96%	22.45%	22.99%
Implied Interest Rate	5.30%	7.06%	6.94%	6.26%	6.22%	3.63%	3.86%	3.86%	3.86%	3.86%	3.86%
Implied Tax Rate (%)	27.72%	15.65%	32.21%	31.22%	31.64%	31.40%	25.67%	25.67%	25.67%	25.67%	25.67%

Leverage	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
EBITDA	5,038,084	7,576,651	10,866,203	12,385,658	13,393,098	16,290,022	19,477,227	21,028,774	22,138,470	23,541,218	25,078,712
Total Debt	8,318,165	11,575,488	11,442,258	14,077,502	15,776,626	39,245,082	32,250,035	31,249,066	29,987,546	28,659,327	28,052,698
Net Debt	4,689,747	8,277,343	8,766,060	11,511,849	6,737,317	30,938,161	28,212,737	24,982,414	20,948,859	16,121,574	10,858,106
Total Debt/ EBITDA	1.7	1.5	1.1	1.1	1.2	2.4	1.7	1.5	1.4	1.2	1.1
Net Debt/ EBITDA	0.9	1.1	0.8	0.9	0.5	1.9	1.4	1.2	0.9	0.7	0.4

	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
FFO	4,597,384	6,016,431	9,259,556	7,978,250	13,226,528	10,212,774	13,212,671	14,923,876	15,985,083	16,945,285	18,193,080
Working Capital	95,166	(694,152)	(609,550)	(42,254)	(1,445,722)	765,758	(735,565)	(1,277,072)	(1,100,703)	(702,628)	(926,498)
CFO	4,692,550	5,322,279	8,650,006	7,935,996	11,780,806	10,978,532	12,477,106	13,646,804	14,884,380	16,242,657	17,266,582
Dividends	(846,321)	(5,020,020)	(2,416,895)	(4,833,790)	0	(2,964,491)	(2,800,846)	(3,047,523)	(3,162,304)	(3,415,521)	(3,676,546)
Capex	(1,350,373)	(2,136,162)	(4,490,915)	(4,861,570)	(4,031,608)	(5,728,228)	(6,798,156)	(7,209,818)	(7,541,266)	(7,846,652)	(8,174,179)
FCF	2,495,856	(1,833,903)	1,742,196	(1,759,364)	7,749,198	2,285,813	2,878,104	3,389,463	4,180,811	4,980,483	5,415,858
Business Acq	(4,445,649)	(1,415,723)	(3,454,049)	(489,278)	(2,129,796)	(15,068,681)	0	0	0	0	0
FCF Net of Acq	(1,949,793)	(3,249,626)	(1,711,853)	(2,248,642)	5,619,402	(12,782,868)	2,878,104	3,389,463	4,180,811	4,980,483	5,415,858

April 13, 2016

Arca Continental, S.A.B. de C.V. Cash Flow Statement (MXN Thousands)											
	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Operating Activities											
Pretax Income	3,682,303	5,413,726	7,582,586	8,886,582	9,764,246	10,935,682	14,351,614	15,589,540	16,161,754	17,444,632	18,764,172
Depreciation and Amortization	1,149,096	1,739,142	2,403,097	2,527,715	2,854,875	3,536,121	4,035,060	4,309,860	4,860,007	5,055,333	5,312,742
Disposal of Obsolete Machinery & Equipment	(22,536)	(7,192)	17,926	(47,294)	47,500	761,500	0	0	0	0	0
Write-Off of Machinery & Equipment	17,195	15,415	666,070	552,109	571,301	526,580	539,345	545,727	548,918	547,322	546,525
Equity in income of associated Companies	(13,256)	(96,136)	(135,665)	(130,755)	(89,380)	(220,510)	(113,446)	(122,100)	(126,428)	(124,264)	(123,182)
Deferred Employees' Profit Sharing	59,623	30,923	128,179	106,831	202,868						
Interest Charge (Earned)	469,739	817,656	747,747	818,787	949,008	1,818,595	863,250	843,305	798,288	723,480	679,907
Income (Loss) from Investment in Unconsolidate	13,256	96,136	135,665	130,755	89,380	157,032	113,446	122,100	126,428	124,264	123,182
Change in Trade Receivables	(208,021)	(361,957)	(854,050)	134,293	(891,290)	503,008	(754,198)	(572,436)	(706,789)	(252,362)	(659,162)
Change in Inventories	60,568	(545,770)	(138,477)	(93,016)	(316,812)	(407,199)	122,307	(398,179)	(325,826)	(323,243)	(471,997)
Change in Trade Payables	242,619	213,575	382,977	(83,531)	(237,620)	669,949	(103,674)	(306,458)	(68,088)	(127,023)	204,660
Change in Other Assets	98,828		3,794	(18,068)		(521,458)	(2,029,760)	(1,532,105)	(1,520,812)	(1,612,137)	(1,688,592)
Change in Other Liabilities	242,836	317,404	49,447	(732,787)	1,077,230	(217,112)	243,945	277,605	358,831	285,074	394,590
Taxes paid	(627,746)	(1,457,855)	(1,461,272)	(3,204,055)	(1,103,447)	(4,750,493)	(3,684,636)	(4,002,461)	(4,149,371)	(4,478,738)	(4,817,517)
Net Cash Flow from Operating Activities	5,164,504	6,175,067	9,528,024	8,847,566	12,717,859	12,791,695	13,583,253	14,754,398	15,956,911	17,262,340	18,265,329
Financing Activities											
Capital Expenditures	(1,350,373)	(2,136,162)	(4,490,915)	(4,861,570)	(4,031,608)	(5,728,228)	(6,798,156)	(7,209,818)	(7,541,266)	(7,846,652)	(8,174,179)
Business Acquisitions	(4,445,649)	(1,415,723)	(3,454,049)	(489,278)	(2,129,796)	(15,068,681)					
Other Permanent Investments in Shares	103,938	38,799			(11,895)		113,446	122,100	126,428	124,264	123,182
Receipts from sales of PP&E	41,907	19,198	1,107,934	211,979	220,903		(264,759)	(267,377)	(266,068)	(266,723)	(266,395)
Interest Earned			142,570	177,079	230,583		380,986	362,314	358,660	382,224	402,392
Investment in Intangible Assets	(463,624)	(197,235)		(140,506)	(567,369)						
Cash from Investing Activities	(6,113,801)	(3,691,123)	(6,694,460)	(5,102,296)	(6,289,182)	(20,796,909)	(6,568,483)	(6,992,781)	(7,322,246)	(7,606,887)	(7,915,000)
Financing Activities											
Debt Proceeds	6,595,425	7,500,000	1,391,666	2,909,257	2,988,634	13,105,676	0	0	0	0	0
Debt Repayment	(5,077,900)	(4,356,392)	(1,645,026)	(319,830)	(2,100,000)	(1,046,983)	(6,995,047)	(1,000,969)	(1,261,520)	(1,328,219)	(606,629)
Interest paid	(471,954)	(852,788)	(827,715)	(910,380)	(1,062,110)	(1,813,163)	(1,244,236)	(1,205,618)	(1,156,948)	(1,105,704)	(1,082,299)
Additional Paid in Capital	17,625	70,365					0	0	0	0	0
Repurchase of Own Shares	52,070	(185,557)	263,772	(388,419)	334,540	28,074	40,072	34,073	37,073	35,573	36,323
Dividends Paid to Non-Controlling Interest			(192,873)	(178,269)	(105,526)		(242,897)	(264,289)	(274,243)	(296,203)	(318,840)
Dividends Paid	(846,321)	(5,020,020)	(2,416,895)	(4,833,790)		(2,964,491)	(2,800,846)	(3,047,523)	(3,162,304)	(3,415,521)	(3,676,546)
Other		9,227				18,149					
Cash from Financing Activities	268,945	(2,835,165)	(3,427,071)	(3,721,431)	55,538	7,327,262	(11,242,955)	(5,484,327)	(5,817,942)	(6,110,074)	(5,647,991)
Adjustments to Cash Flow due to variations in th	(112,383)	20,948	(28,440)	(134,384)	(10,559)	(54,436)	(41,438)	(47,937)	(44,688)	(46,312)	(45,500)
Total Change in Cash	(792,735)	(330,273)	(621,947)	(110,545)	6,473,656	(732,388)	(4,269,623)	2,229,354	2,772,035	3,499,066	4,656,838
Beginning Cash and equivalents	4,421,153	3,628,418	3,298,145	2,676,198	2,565,653	9,039,309	8,306,921	4,037,298	6,266,652	9,038,687	12,537,753
Ending Cash and Equivalents	3,628,418	3,298,145	2,676,198	2,565,653	9,039,309	8,306,921	4,037,298	6,266,652	9,038,687	12,537,753	17,194,592

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