

Day 2 Q&A

Shaun Fullalove, Global VP Investor Relations

And so we're going to start with the second Q&A panel session to wrap up what we've seen today and yesterday evening. So we have the chairs on stage already, and I'd like to invite Michel, Tadeu, David, Fernando, Ezgi, Nick, Lucas, Marcel and Lisboa. If you're still with us, please join us on stage and we'll have one final Q&A session.

In terms of the logistics, we're going to do the same as we did yesterday. We'll start by taking a couple of the questions from here in the room. Those on the webcast stream are able to submit questions if I can make the technology work. We did yesterday by the Q&A functionality on the on the webcast platform. We have the mics around the room here, so if you'd like to ask your question, same as before, please raise your hand and we'll get the mics across to you. Please try and stick to one question as much as possible so we can get to as many in the room as possible. So we have 45 minutes so let's kick it off. If anyone has questions left from the market visit, let's take them. Simon in the back.

Simon Hales, Citi

Yeah. Yep, yep, Yeah. Thanks. Simon Hales from Citi.

I just thought a question around just the Mexican market, particularly Modelorama. Can you just talk a little bit about how the store footprint has grown over the years? I think you said this morning it's 10,000 stores at the moment. What's the outlook from here? And associated with that, how much of your volume is going through that channel and how much of your volume is now going through OXXO post exclusivity?

Carlos Lisboa, CEO Middle Americas Zone

So the question was, if I understand correctly, about Modelorama, in order to break the relevance for a business in Mexico, I'm trying to link the two together as one question because that's what I should do.

So first and foremost, Modelorama remains around 10,000 stores pretty much spread around the country beforehand. But now that we have okay, so right, we are in a way stronger position. So we are reassess the way we're going to, you know, place the stores again as a second phase or next phase of our, you know, expansion. Modeloramas are the most profitable channel we have in Mexico and brings pretty strong sales because we use Modeloramas a lot to evolve with category development.

I don't know if you notice but we have a [large] assortment of brands and SKUs in a very relevant channel for us in terms of, you know, returnability. And this is exactly the point of difference about Modeloramas. You must see the model not only store almost like a format between a traditional and a modern [channel] right there, you're going to find a good balance between one way formats and returnable formats.

But the main point of difference, the competitive advantage of a Modelorama against all other channels will be almost, you know, reliant on the written ability side of the business right around 18% of our volume flows through the this channel today. OXXO, so we are now present in around 20,000 stores across the country, [low-teens], if I'm not mistaken, of our total volume flow through Oxxo.

You know different from Modeloramas, [Oxxo] is a chain that relies way more on [one the one way] formats especially cans right but is interesting as well in terms of category development we have

been you know working together with them, [building] plans together to really make the category even stronger than it is today. Oxxo is one of the channels growing the most in Mexico.

And that happened after our interest because it category gain a completely different kind of, you know, expression within the chain. Right. And now consumers have, you know, pretty much have the ability for, you know, everything they want in terms of beer category.

Shaun Fullalove, Global VP Investor Relations

Next we have Ed Mundy from Jefferies.

Ed Mundy, Jefferies

Thanks. Ed Mundy. Jefferies. Michel, probably a question for you or maybe one for Cassiano. Cassiano moving from Mexico to Africa. You know, clearly a lot of the best practices they're trying to roll out from a growth standpoint, category, expansion model and strategy tools really working very well in Mexico. Can you talk about the opportunities in Africa?

You know, what what are the now what is the vision for Africa in terms of that move? And and then what you're hoping to bring through that?

Michel Doukeris, CEO

So I think that there are two things that are on this on this question that are very interesting. Thank you for, for giving me the opportunity to talk about that one. David covered these during his presentation on the strategy. I really think that we have the privilege of being able to learn from our footprint, right.

The idea that we are in very developed, developing and emerging markets, this allows us not only to exchange best practice across our own geographies, but also making the expansion model better because we have more data points. And given the practices that we are implementing around the five platforms, we've been able to brand the model, right. So to accelerate what was the natural growth of the category and the gift that we have on our portfolio is this idea of this incredible area like MAZ, where we are with the category vibrant, growing, and we can develop the category in the right way and we have the future opportune of a footprint like Africa.

So population is huge. The growth is happening. We have very strong positions in our footprint and we believe that a lot of the next wave of growth will come from this cluster that has India plus Africa. And this would be very sizable for the future. And when you think about the way that we develop our people, so Cassiano experienced for many, many years our operations in Brazil when we were emerging and developing, had the opportunity to be in different areas from logistics to the high end company to down in sales and be for five years here in Mexico, experiencing a market that is in the top end of the developing markets.

And now he moves to Africa. We fit this vision of knowing how the future look like and having the opportunity and time to build the category in the right way in Africa. So I, I could not be more excited with having that. I think that the work that he and Lisboa and the team did in Mexico is a great work that we shared with you over the last two days.

And now he's going to have the chance and opportunity to do more on his own in Africa and enjoy Africa, which is an incredible opportunity.

Now I think that what I was trying to explain and ask about the gaps. Right. I think that's less about the gap and is more about the development stage of the markets. So Mexico is more advanced on the development stage. South Africa is well advanced as well. Many countries in Africa are at an

early stage. So what we need to do is making sure that as we develop this markets, we develop them in the right way.

Strong brands, vibrant category, premium products, good market share position, good brand power, right portfolio, and the technology. For example, if you go to South Africa, this is the operating model there as it is here. And we are rolling out in other countries in Africa as well. So these are the building [blocks] but it is not a market that is as built as the Mexico market is.

So there's a little bit is going to have the chance to recreate the history. We hope that is similar to the one in Mexico. Of course, expectation for Cassiano is better.

Shaun Fullalove, Global VP Investor Relations

And I take one from the web and then we'll come back to the room. I think. Trevor, you had one, so. Marcel one for you. You spoke a little bit about the mega brands approach. And the question is how do you balance this approach and focus in mega brands with the need to continue to innovate across the category to stay relevant?

Marcel Marcondes, CMO

Great question. Thanks for the question. Mega brands are a great opportunity because they have size, they have great brand power, therefore they represent a massive opportunity for scale and this is what really builds and delivers value to the business. So the first part of the answer is that, as I showed, we have three steps. When you talk about innovation, the first thing is to make sure that we remove from the market everything that is not adding value.

Usually when you talk about innovation, we just talk about adding more things. So in our process, first we start by simplifying the propositions we have. The second step is to make sure that the mega brands we have remained differentiated and highly competitive. So every year we run a superiority analysis with our mega brands in the key markets.

To make sure that we are always with the pulse on the competitive advantage of our brands. If there is anything to be adjusted, this is when we trigger the products to make sure that these brands are always at the edge, delivering against the consumer needs and with a clear competitive advantage on their key attributes. Then we talk about new launches whenever we find a new opportunity.

So this is, I think, the healthy balance. We are finding where we first focus on what we have to make sure it keeps working. It drives the scale. We keep expanding. We use our reach as a competitive advantage and then we find very specific opportunities when it really makes sense to add something on top. As we do that by removing what doesn't work.

I think this it's very good for us to be here because it's a great way to experience the love and the passion for the brands and for the consumers.

And the mega brands are anchored on that. You heard from Lisboa and from his whole team. The amount of times they spoke about the strong portfolio. It all starts with the brands. I, I feel very impressed about the clarity on the brand positioning, who are the consumers. They're serving the key occasions that they're there to add value for and the key platforms you use.

And this whole combination of mega brands behaving like this with our teams being passionate about it, plus the selective innovation driving scale is what brings the magic that we're seeing in real life here in Mexico.

Shaun Fullalove, Global VP Investor Relations

Thanks Marcel. Back to the room. Trevor.

Trevor Stirling, Bernstein

Two quick ones on Mexico. For Cassiano or Lisboa at least got the first one, as you mentioned, per capita consumption is 77. But I guess there are huge regional variations between the South and the North. So is that like 50 to 90?

Carlos Lisboa, CEO Middle Americas Zone

If you look at it on a state by state basis, the difference being the north, the region with the highest per capita in the country. Okay. Which is interesting because people usually come to us with the same kind of question about how far can we continue growing the category here in Mexico.

And the north is here to, you know, to show that still there's still room ahead is spot on.

Trevor Stirling, Bernstein

And I guess the second one, you mentioned that you had 80% of the industry growth accrued to Modelo in the last five years. Are you able to say roughly the split between what came from the OXXO distribution gains and what was truly organic?

Carlos Lisboa, CEO Middle Americas Zone

Yeah, I would say that I think the best if we use the following, we have gained share within the Oxxo channel and outside of the Oxxo channel along the years.

Shaun Fullalove, Global VP Investor Relations

Thanks. Next we have Carlos Laboy from HSBC.

Carlos Laboy, HSBC

Yes. Thank you. Ricardo, can you please follow up on and explain a concept you mentioned earlier on how you track and follow through on key initiatives?

Ricardo Tadeu, Chief Growth Officer

Yeah, just to put everybody in the same context, before going to the market visit, we were discussing about an internal concept that we have with the marketing team, which is called 'close the loop'. Close the Loop is an internal process that we have for all marketeers to first determine the job to be done for certain brands. Select the brand occasion, how to communicate it, and to close the loop because the conversion into a transaction.

And we implement the close the loop process. So we bring more marketeers to, to really go into wins in the process of, of advertise and against some of the elements that we've been highlightin. And we hope that it's it was very clear the message here that is not only about being able to analyze data and gather consumer data points is also not only about being able to have a new channel to consumers, but is actually the ability that we have now to create a new media channel to consumers and customers.

Because the same way that third party platforms like TikTok, Instagram, Facebook, these are the well known digital platforms that became like presence in media. We now have our own platforms. So at today's screen, it's a screen that our consumers are using frequently. And the more you add the elements like the rewards program, like the campaigns or club that are more time, the more open they are to receive our message and then we can start creating opportunities like we saw presented by Dani Waks In the case of Brahma soccer or the relaxation moments we've got on the sunsets.

So we started from the data what's in all the opportunities we have, the brands that can attach and then we start the campaigns. But that closed the loop. You see how much of that is actually being converted, right, generating transactions for us, which is something that honestly, I don't know many companies that can go through this end to end process, and we are very proud of having that embedded in our marketing model this way.

The same closed the loop applies also in these because also marketers have to think that our customers, they're actually our salespeople, they're the ambassadors of our brands to billions of consumers around the world. So we use Bees as well to like to teach them about our brands.

We have our own YouTube channels of Bees where we can educate them on our brands. So today, our ability to create consumer touchpoints and what we would call like media advertising for our own digital media channels, it's is huge and it's just growing by the day as we add more consumers in there into the platforms in more customers, in Bees.

So that's a very important element and we are very proud to have this process from understanding the opportunities, the brands to attack telco, you know, the occasion, you know, the pack, the type of promotion or communications that we want to do and is always reinforcing because we can test different messages, different tones, different images, and then we are always refining to get the ones that are more powerful.

Shaun Fullalove, Global VP Investor Relations

Thanks Ricardo. Next we have Brett Cooper and then we will go to Laurence.

Brett Cooper, Consumer Edge

Okay, Thanks. Can you benchmark your success with innovation or SKU reduction, having Bees and the information contained in it versus when you didn't have that?

Ricardo Tadeu, Chief Growth Officer

I think that this SKU reduction is also part of the philosophy of the mega brands and the simplification. I think that one of the elements that we are trying to refine year over year is now that we've made this transition from like inorganic growth to organic growth, it's what are the most effective ways to achieve organic growth.

And because we've seen through data that you don't have like a multitude of SKUs to actually drive growth, you have to really identify what are the right ones being specific brands in specific packs. One of the challenges that we have internally within our marketing teams is we want to continue driving innovation and innovative mindset into the organization, but the portfolio has to be managed.

So it's like a garden. We always try to refer to that example. Sometimes you have to remove some elements of the garden. So the garden can flourish even more. So it's the portfolio of the company. So what I think that we are seeing year over year is that the more we collect data from customers and consumers and more we have people trained on using that data and with free access that they are in connecting the dots more precisely, we can [refine] our portfolio choices we need for resource allocation and investment or also removing from the portfolio products or SKU's that we believe that we can easily transfer to two brands that have more room to grow.

Michel Doukeris, CEO

If I can just add on there on the point before we move to the next question. I think that there isn't actually a number we can give you now, but the main transformation that Bees brings to this equation is that even before we had this massive sales force with the job of selling in and because everybody is incentivized in the selling, you have many times false winners.

So SKUs or products that you are targeting and the team is selling, but they are not really making a ton of difference to the point of sales. Now that you decentralized this task of selling, because now the point of sales by using with this, most of the job of the sales team is sell out. So what are the right promotions the right execution so we can sell out more.

And this in our way, is already making a natural selection of the portfolio that should exist versus the portfolio that's not as efficient as it should be. So this adds value on the rationalization by focusing the team more on selling out than selling in. So the false positives don't live in this system.

Shaun Fullalove, Global VP Investor Relations

Thanks both, next we have Lawrence Whyatt at Barclays.

Laurence Whyatt, Barclays

I guess ABI has become a much more data driven company over the past five or so years and you've got lots of different data sets. You can draw from BEES for your customers and Ze Delivery for your consumers. If you could wave a magic wand and look at a 5 to 10 years in the future, what are the additional datasets you'd love to add to what you already have? What would you love to know about either your customers or consumers do you think could be possible in the future?

Ricardo Tadeu, Chief Growth Officer

Today I can answer that, and I, I hope it is less than 10 years by the end. There's so much more that we can do and that's in the next two or three years. And then maybe we have a better vision for what's the next ten. But for us, the journey is what we call the omni channel, So I know sometimes you throw words like ecosystem and omnichannel and these sound like buzzwords, right?

But what does that mean? So we can tag the consumers and know exactly when they're consuming in-home and where they're buying from. But this consumer, because of Bees we can connect to them everywhere they purchase. And we expect this consumer to go to a restaurant, to go to a bar, to eventually they will be shopping for their groceries and they will get some beer in the supermarket nearby or got a car and go to a hard discounter and buy beer too.

What we intend to do is to convert that into an engagement platform with consumers and by giving them points for consumption of our products in any other category and we can tag them because we have a piece and this is why the word ecosystem is important for us. Also, when you think about Vendo, which I hope you guys got a good idea of what Vendo is, Vendo is also another opportunity to have data points that we can connect to lots of consumers where from where they buy because they, they do their phone recharges.

So the more we evolve, the more we will be like creating this. There's a very clear profile for a consumer of what are their passion points, what are their interests, how they drink our category, and eventually what other categories they consume as well. So this is something that is a journey that we think [we are in] the early stages.

David Almeida, Chief Strategy and Technology Officer

And if I could just add as well, I think beyond the kind of the breadth of the data, right. So I think that it's really more adding more data we've transformed over the past few years. So let's say we have in the company today 500 or 600 data scientists where, you know, five years ago we had zero. What we're also doing is making sure that they can work as easy as possible so it can be as effective as possible as kind of a tech company.

So that involves having, for example, a data layer. If you look at the different disparate systems, how can we make that data easily accessible for all data, saying to the companies that can use that, how can we have a platform? So as they build algorithms, they better use the same components so they can travel more easily.

As we try to measure the effectiveness of the things we're implementing, how do we have the right ops tools to show that this thing is effectively working right? So while we're also acquiring more data, we're also investing to make sure we have the right infrastructure so that we can really be experts that kind of managing data and driving value with it.

Marcel Marcondes, CMO

If I can add something as well. So this is a very exciting question, very exciting territory. Usually when you talk about data, the first approach is on transactional data because we start knowing when people buy what people buy. I would say that the next step we're working to try to take is culture is also to get behavioral data.

So if you pay attention to what we spoke about, we start by selling products, but then we talk about the tickets to the event, to the concert, to the game, and we start bringing more elements into the platform. So you start knowing not only when and how they buy, but what they do and what they like. You start understanding how they behave and this is a big, big, big thing.

So I got a few points of feedback that some of the presentations were good here because we were very tangible on examples. So let me give you a few very specific examples. We know, for example, that whenever there's a soccer game, usually 2 hours before the game is when people order the beers, because this is when they say, okay, I need to get ready, not as a coincidence, our media happens usually 2 hours before the game and we focus our investments there because we know that this is what accelerates conversion. We didn't talk about them here because we didn't have time. But there's another very good platform that we're working with, which is barbecue. We also learned from the behavioral part that a huge correlation between the access on, on, on today and there with the barbecue occasion not as a coincidence if you go to the supermarket, you see that in the barbecue section, we start to execute those brands that consumers prefer for that occasion.

We also spoke about the insights from Corona yesterday on the happy Hour. So the more we learn from transactional and evolved from behavioral data, the more complete our actions can be to really step change on how we interact with consumers and drive conversion.

Shaun Fullalove, Global VP Investor Relations

Great long answer, but good answer. And so I think we will take one from the webcast and then we'll come back to the room. So this is probably for Michel, or perhaps David. The question is from Robert at Evercore asking, can you talk more about the development of the beer market in India and whether there are any specific regulatory changes or change of industry structure which might help the growth of beer going forward?

Michel Doukeris, CEO

Yeah. Robert, thanks for the question. We had a couple of people ask the question here as well. I think that everybody understands the size and how meaningful India will be in the future of many, many categories. And categories have been developing slightly differently in India, right? And specifically in alcohol and in beer. There were very meaningful changes in the last few years that are very promising to the direction of the category in the future.

I think that number one was almost like if the beer category in India was built in the past by hard liquor companies, right? They were more into reducing or containing the size of the beer category

rather than developing the beer category. And over the last few years, given changes in the market, changes in the players, today you have beer players in the beer category that have a real interest in developing the category in India. And this development is happening. So you see the category is very healthy, is growing and many, many other things happen. The second is a very complex set of state and federal laws that we've been seeing last year was a very interesting year.

This year's been very interesting. Many, many states revising many of their laws, including laws related to alcohol consumption production, and with beer in which that is taxes. The revised rights to sell licenses. And all of that unleashes further the potential of the category. So in one hand, you have their economic growth, which we know that has huge correlation with the beer industry.

Second, and young, well-educated, more and more urban population, which you know, that correlates a lot with the beer industry as well. And then you have the third element, which is an incredible flexibility or normalization, better state of what the business environment is, which will help to unleash that category. When you think about us, we've been working in India for a while.

You can say like more than ten years in the making and we are very well-positioned in the premium and super premium segments. Budweiser is growing and a very health brand. Today, India is the third largest market already for Budweiser and we continue to grow on a very fast pace, when you combine premium and super premium we have 70% market share in India and the prospects for growth in India, I think that for many categories, including beer, are very positive.

So we are optimistic with the business we have there with how much the category will continue to develop, but even more with most of this development coming across urban centers, elderly but very well educated, growing income population and in the premium segment. So thanks for the question. We didn't talk a lot about India here, but that was a good opportunity just to highlight the potential for India for the future.

Shaun Fullalove, Global VP Investor Relations

Thanks, we'll go to Chris next. And then we'll go to Mitch at the back and then Olivier.

Chris Pitcher, Redburn

Thank you. There's obviously been a renewed confidence and belief in your mega brands. How important has been the fact that demand for craft and those sort of styles of beers have sort of plateaued out in the United States? I was encouraged to hear from Marcel that you're regularly testing the superiority of your brands around the world. Do you see the opportunity to for a craft style segment to build up in lots of your other markets? Would you actively target that or within the mega brands such as with modelo last night you know we saw lots of different varieties. How do you see the craft threat? Is it abated now globally do you think or or is it more an opportunity for you guys.

Michel Doukeris, CEO

Now I can answer a little bit and others can complement. But the craft segment and different styles of beer, they are happening and will continue to happen across the globe. We see everywhere different styles growing and in existing the market. But the reality is that for many categories, the structure of the US market and the economy allows for this massive proliferation.

And then you can think about craft beer, but you can think about root beer or cider or seltzers that is this good product that becomes just too big in terms of proliferation of brands and shelves. And then there is an adjustment. So what we see today with craft beers in the U.S. is just like a natural adjustment when people ask some of these questions and why it's happening or why this is part of of the industry in the U.S. and I bring a very simple example, imagine that you are a IPA drinker and you really like IPA. When you go to a market that has 11,000 microbreweries, each microbrewery

has at least [many] styles of IPA and you are a diehard IPA drinker, not even if you live 100 years and you're drinking every day, you cannot drink all that exists. So it's over proliferated. So I think that what is happening is, is sizing to the right size.

And globally is a little bit healthier because they never got to this large size that you see in the U.S. And it is much more premium because craft breweries are much more expensive for you to make and therefore they need to be much more premium. So when they come in a much more premium way, they are actually very healthy for penetration in new occasions.

Bringing more consumers. The mega brands is a little bit the opposite of that, right, Because if these small batch very craft are for specific things, the mega brands are an idea to create efficient growth because you have the right consumer target, you understand the right occasions, and then you build that brand to fit that consumer that occasion at any scale that is efficient for the company.

And we are very focused on this large portfolio of brands that we have globally. But going back to this concept that between four and six or seven brands per market can command the growth that we need in a very efficient way. And I think that they need to be superior in liquid, packaging, advertising and they need to deliver on the value proposition and they need to have the right investments behind which, given the size and the scale that we have, we do have the capacity to invest and grow these brands.

Shaun Fullalove, Global VP Investor Relations

Mitch, in the back, thanks.

Mitch Collett, Deutsche Bank

And let's come back to the question of data and closing the loop. You've talked a bit, Marcel, about how having data about your consumers through TaDa and Modelorama allows you to manage your marketing better. Is there a way of quantifying the ROI improvement you get from adjusting the way you market to consumers using that data? Can you talk about how that feeds into your in-house agency draft line?

And given that there are some markets where you're never going to be able to have the same richness of data, how do you manage that challenge and does it make you think as a group that maybe there are markets where you'd benefit from having direct sales like you have here in Mexico?

Marcel Marcondes, CMO

Okay, So let me start. And for sure, more people can jump in here with the answer. I think that data enables us to have an impact on our ROI for sure, because all those insights, they allow us to do personalization at scale. So this is what actually led to the creation of the in-house agency, because it's all about having a structure to be able to connect all those insights and those data points to have multiple different interactions of the same campaign, the same approach. The brand positioning is a non-negotiable, but we can flex that approach to be more relevant, to be more specific to different consumer groups in different places, to better connect the right brands to the right occasions. This is what we referred to as personalization at scale, and this is actually why we created draftLine so that we can have all the team bringing it to life every day because we can do that. We start to buy media in a different way and then we rely much more on programmatic because then we go on a one by one basis and we expand to a one to many approach.

And this is a much more effective way to buy media, which then leads into a direct impact on our ROI. So that's sort of the chain on how things happen. The more we scale that data collection, the more effective this whole process becomes. So moving to the other part of your question, where we have some restrictions to operate like that, what we do first and foremost is to go to the next layer,

which is to move from first party data to the third party data, and then we have to partner very closely with retailers because then they provide their data points to us and we partner together to understand the data, create insights and the best media opportunities everywhere, but including on the retail level to make sure that we all maximize the opportunity. It's a different model, but it's the second layer that we can access.

Michel Doukeris, CEO

The only thing to add on that is in a way you can think that you'll never have 100% of the data on the other extreme that by having data you can customize and then make the best practices travel. So When you have no data, you are blind. When you have 5% or 10% of the consumers data, you see very far away.

And then you can elaborate on this data that you have an amplifier, the execution is much, much better than by not having data. So remember that years ago, we would test all the things that we do on a consumer group of 20 people in a room and the average of what that people say would become somehow the true format for marketing. Today, when you go on Ze delivery in Brazil or TaDa in Mexico, you have an interaction with 400,000 consumers, not 20 people, 400,000. And they more than tell something, they buy with their credit card. So it's more than declaring something is actually behaving and purchasing something. So your ability to test, to learn is exponential with this data.

And then based on this data, then you craft your insights in your campaigns for the overall population.

Lucas Herscovici, Chief Direct-to-consumer Officer

And building on what Marcel and Michel were just saying, I want to bring two examples. For example, in the UK before we launched Stella Unfiltered, which is a big innovation that was successful in UK, we launched it via a perfect draft. So we tested the liquid with our community of consumers. We tested our communication with those consumers, testing different iterations of key messages and those learnings they gave us the insights to then decide how to scale it to the rest of the market in a more successful way.

And then another in the case of TaDa in Mexico, we have hundreds of thousand consumers that we've engaged via TaDa, and then we're using those consumers to be able to create our own focus groups. We don't use research agencies anymore for many things that we could be testing real time with them and validating things through them, through surveys with them.

So that's two concrete examples. On what Michel was just saying of how we're changing the way we approach insights and how we apply that for the rest of the business.

Shaun Fullalove, Global VP Investor Relations

We're almost at 45 minutes, so we will make this the last question, Olivier

Olivier Nicolai, Goldman Sachs

In Mexico you've seen an increase of 25 liters per capita consumption over the last decade. Colombia and Peru, as you've seen on the chart, is much, much lower. How do you explain the difference, is it essentially the question of affordability, just to close the gap? And is it even possible to close that gap to level of Mexico? And also, is there any excise duty difference between the countries.

Carlos Lisboa, CEO Middle Americas Zone

It took us longer to start, you know, accelerating the development of the category in those markets. But, you know, when I look to the short term, Colombia's evolving really fast. We grew the category per capita consumption around ten liters in the last five years. So it's almost the same as Mexico grew. And Peru is very interesting to see what is happening there because, you know, Peru is also almost like living a different kind of reality by region. Lima is the most important city in the country. The category had pretty much plateaued for many, many years and now is growing way ahead of other, you know, all other regions in the country. And it is not a coincidence, that it is also the region where we are developing the category in the same we are doing here in Colombia.

So you clearly see the the combination of the three pillars of our global strategy impacting the market simultaneously in creating a very positive momentum. Peru is also now pretty much side by side in terms of relevance with Colombia. So it's another pretty interesting market for us in terms of growth.

Shaun Fullalove, Global VP Investor Relations

So thanks very much. I think that is the 45 minute mark so we'll make that the last question. Thanks to everyone in the room for participating and those on the webcast as well.