



Coca-Cola FEMSA, S.A.B. de C.V. (KOF)

Updated April 3rd, 2026, by Kody Kester

Key Metrics

Current Price:	\$98	5 Year CAGR Estimate:	13.0%	Market Cap:	\$20.7B
Fair Value Price:	\$107	5 Year Growth Estimate:	7.5%	Ex-Dividend Date:	04/20/26
% Fair Value:	92%	5 Year Valuation Multiple Estimate:	1.8%	Dividend Payment Date:	04/21/26
Dividend Yield:	4.4%	5 Year Price Target	\$154	Years Of Dividend Growth:	7 ¹
Dividend Risk Score:	C	Sector:	Consumer Staples	Rating:	Hold

Overview & Current Events

Coca-Cola FEMSA, S.A.B. de C.V. (KOF) operates as a leading multinational beverage bottler. It is the largest franchise bottler of Coca-Cola products in the world, producing, marketing, distributing, and selling a wide range of non-alcoholic beverages such as sparkling soft drinks, waters, juices, teas, energy drinks, and other beverage categories throughout Latin America. These include Coca-Cola, Sprite, Dasani, and Costa Coffee. The company also distributes select beer and consumer products in some markets (e.g., Estrella Galicia). Across its extensive network of 56 manufacturing facilities, 250-plus distribution centers, and more than 2.2 million points of sale across Mexico, Central America, and South America, KOF generates revenues predominantly in Mexican pesos and Brazilian Real.

On February 24th, 2026, the company shared its fourth quarter earnings report for the period ended December 31st, 2025. Total revenue grew by 2.9% over the year-ago period to 77.75 billion pesos in the quarter. Adjusting for unfavorable currency translation into Mexican Pesos (the peso appreciated against other operating currencies, such as the Argentine Peso), the company's revenue would have grown by 6% organically during the quarter. This was mostly made possible by the company's strategic price increases across most of its territories to offset inflationary pressures on raw materials (sweeteners) and greater labor costs for the quarter. Even with these higher prices, the brand power of its products allowed volume to edge 1.3% higher year-over-year to more than 1.09 billion unit cases in the quarter. KOF's ADS EPS increased by 3% over the year-ago period to 35.71 Pesos during the quarter. Even with currency translation headwinds back into its native currency, the company managed to grow its earnings.

KOF recently changed its dividend payment schedule from lumpy semi-annual payments to quarterly payments. This was tested in 2025 with more frequent dividends to manage cash flow better. In March, a plan to pay dividends in April, July, October, and December was approved by shareholders.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$2.35	-\$3.10	\$2.65	\$3.05	\$2.47	\$3.66	\$4.63	\$5.49	\$5.45	\$6.32	\$6.71	\$9.63
DPS	\$1.80	\$1.75	\$1.70	\$1.84	\$2.14	\$2.44	\$2.57	\$2.94	\$2.92	\$3.53	\$4.32	\$6.20
Shares²	207.3	210.1	210.1	210.1	210.1	210.1	210.1	210.1	210.1	210.1	210.1	210.1

Moving forward, we believe that KOF can deliver 7.5% annual EPS growth through 2031, off an anticipated 2026 base of \$6.71. This is mostly going to be driven by their omnichannel platform, Juntos+, which now has over 1.3 million active users. This AI-driven sales tool has already boosted route efficiency in Brazil. This should yield incremental gross margin expansion over the next couple of years by optimizing promotions and reducing "out-of-stock" occurrences. KOF is also pivoting away from low-margin categories toward high-growth, high-margin segments to drive growth in its volume and mix. Coca-Cola Zero Sugar continues to deliver strong volume growth in South American markets. Non-carbonated beverages like Costa Coffee and energy drinks provide higher revenue per unit case than traditional sparkling drinks.

¹ In its original Mexican Peso declaration.

² Share count is in millions.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	27.0	-	23.3	20.2	18.7	15.0	14.7	17.3	14.0	15.0	14.7	16.0
Avg. Yld.	2.8%	2.5%	2.8%	3.0%	4.6%	4.5%	3.8%	3.1%	3.8%	3.7%	4.4%	4.0%

Since 2016, KOF has traded at a valuation multiple as low as the low-teens to as high as the upper-20s. Over that time, the average P/E ratio was 18. In the past five years, the average P/E ratio was just above 15. Looking ahead, we think that KOF’s fair value P/E ratio is right around 16. In our view, this properly accounts for the growing omnichannel platform and premiumization efforts in its mix. Relative to the current-year P/E ratio of 14.7, this suggests shares are slightly undervalued right now.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2020	2021	2022	2023	2024	2026	2031
Payout	77%	-	64%	60%	87%	67%	56%	54%	54%	56%	64%	64%

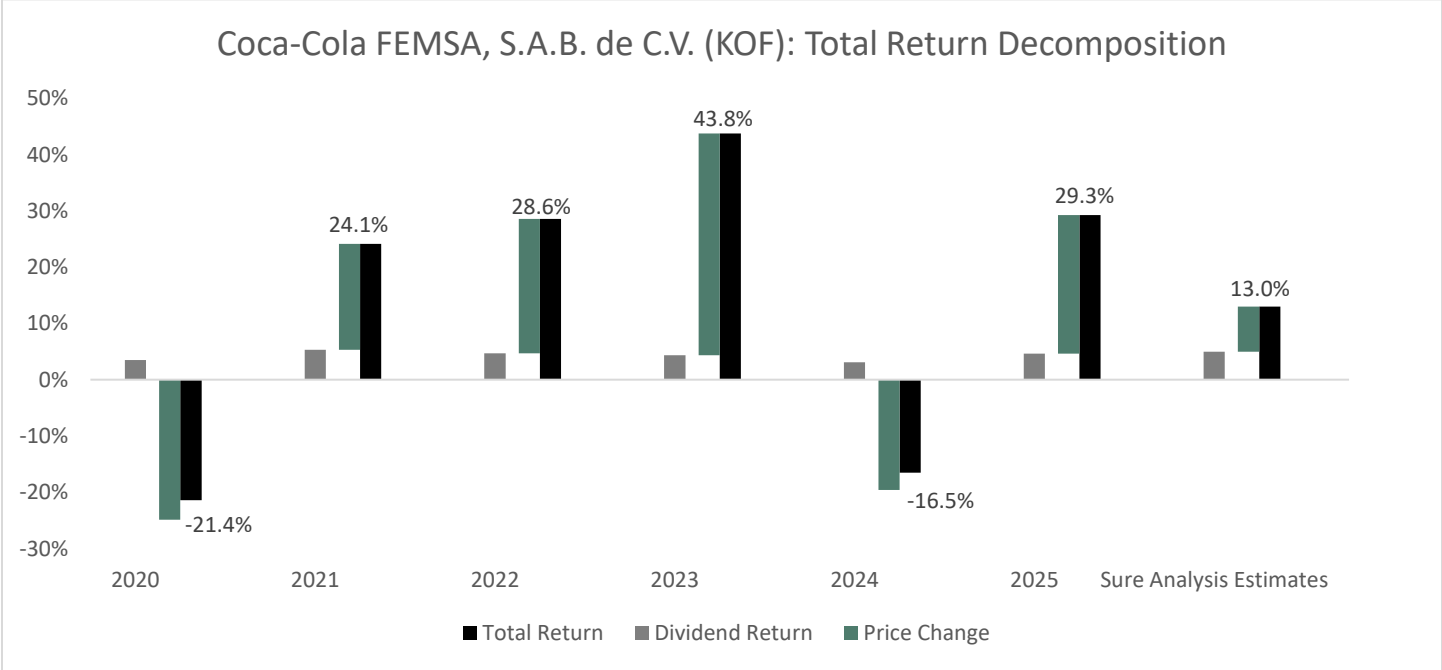
KOF’s dominant position as the largest Coca-Cola bottler in Latin America is its competitive advantage. That gives it significant pricing power and distribution efficiency. Its ability to leverage The Coca-Cola Company’s brand strength while optimizing local production and logistics provides a durable moat.

KOF’s interest coverage ratio in 2025 was 7.5x. This provides it with a cushion necessary to withstand a temporary downturn in its business. The company’s dividend looks fairly sustainable, too. KOF’s payout ratio is set to be in the mid-60% range for 2026, which should give it room to build on its seven-year dividend growth streak (in native currency).

Final Thoughts & Recommendation

KOF’s 4.4% dividend yield, 7.5% annual EPS growth prospects, and 1.8% annual valuation upside potential could deliver 13.0% annual total returns through 2031. But because of the middle-of-the-road Dividend Risk Score, we’re reiterating our Hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	9,507	9,693	9,479	10,101	8,540	9,601	11,268	13,815	15,264	15,195
Gross Profit	4,221	4,384	4,313	4,577	3,838	4,301	4,950	6,282	6,964	6,850
Gross Margin	44.4%	45.2%	45.5%	45.3%	44.9%	44.8%	43.9%	45.5%	45.6%	45.1%
SG&A Exp.	2,967	3,070	3,011	3,144	2,625	2,993	3,428	4,289	4,806	4,776
D&A Exp.	464	509	521	553	467	485	518	594	662	721
Operating Profit	1,252	1,311	1,318	1,480	1,291	1,376	1,560	2,039	2,210	2,127
Operating Margin	13.2%	13.5%	13.9%	14.7%	15.1%	14.3%	13.8%	14.8%	14.5%	14.0%
Net Profit	563	(813)	608	656	482	805	975	1,140	1,339	1,303
Net Margin	5.9%	-8.4%	6.4%	6.5%	5.6%	8.4%	8.7%	8.3%	8.8%	8.6%
Free Cash Flow	1,065	866	742	829	938	938	768	1,149	821	228
Income Tax	210	221	273	293	252	326	325	495	642	660

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	13,555	14,601	13,394	13,654	13,202	13,270	14,265	16,152	14,812	17,494
Cash & Equivalents	582	997	1,246	1,090	2,187	2,320	2,079	1,852	1,593	1,589
Accounts Receivable	640	752	625	571	518	576	740	962	789	1,084
Inventories	664	652	577	624	564	664	686	748	759	877
Goodwill & Int. Ass.	6,017	6,350	5,931	5,934	5,218	4,993	5,292	5,974	4,900	5,693
Total Liabilities	7,282	7,409	6,705	6,786	7,057	7,036	7,498	8,256	7,572	8,927
Accounts Payable	1,043	1,020	1,003	1,050	863	1,111	1,377	1,615	1,624	1,774
Long-Term Debt	4,239	4,155	4,084	3,732	4,373	4,234	4,147	3,995	3,628	4,374
Shareholder's Equity	225	251	254	1,627	1,466	1,485	1,609	1,875	1,724	2,033
LTD/E Ratio	0.73	0.68	0.65	0.58	0.76	0.72	0.64	0.53	0.54	0.57

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.4%	-5.8%	4.3%	4.9%	3.6%	6.1%	7.1%	7.5%	8.7%	8.1%
Return on Equity	9.0%	-12.1%	8.8%	9.7%	7.4%	13.0%	15.0%	15.6%	17.7%	16.5%
ROIC	5.4%	-7.4%	5.5%	6.1%	4.5%	7.6%	9.1%	10.0%	11.7%	10.8%
Shares Out.	207.3	210.1	210.1	210.1	210.1	210.1	210.1	210.1	210.1	210.1
Revenue/Share	45.82	46.14	45.12	48.08	40.65	45.70	53.63	65.76	72.66	72.33
FCF/Share	5.13	4.12	3.53	3.95	4.46	4.47	3.66	5.47	3.91	1.08

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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