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

*Updated July 27th, 2026, by Kody Kester*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $110 | **5 Year CAGR Estimate:** | 11.3% | **Market Cap:** | $23.1B |
| **Fair Value Price:** | $112 | **5 Year Growth Estimate:** | 7.5% | **Ex-Dividend Date:** | 10/13/26[1] |
| **% Fair Value:** | 98% | **5 Year Valuation Multiple Estimate:** | 0.4% | **Dividend Payment Date:** | 10/27/26[1] |
| **Dividend Yield:** | 3.9% | **5 Year Price Target** | $161 | **Years Of Dividend Growth:** | 7[2] |
| **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., Estrela Galicia). Across its extensive network of 55 manufacturing plants, 250-plus distribution centers, and more than 2.1 million points of sale across Mexico, Central America, and South America, KOF generates revenues predominantly in Mexican pesos and Brazilian Real.

On Jul. 27, 2026, the company shared its earnings report for the second quarter ended Jun. 30, 2026. KOF's total revenue grew by 4.7% over the year-ago period to 76.32 billion Pesos in the quarter. Adjusting for unfavorable foreign currency translation in Mexico Pesos, the company's revenue would have risen by 6.6% organically during the quarter. This was made possible by a combination of 3.5% volume growth to 1.07 billion unit cases (broad-based strength, with record quarterly volumes in Brazil, Colombia, and Guatemala) and price increases passed onto customers to offset cost inflation and tax burdens. KOF's adjusted EBITDA jumped 12.1% higher year-over-year to 15 billion Pesos for the quarter (+14.4% on a comparable basis). That was due to a 180 basis point expansion in the gross margin to 47.1% stemming from favorable sweetener and plastic resin costs versus Q2 2025, as well as strong operating leverage in South America.

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 | ***$7.00*** | ***$10.05*** |
| **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*** |
| **Shares[3]** | 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 continue to think that KOF can deliver 7.5% annual EPS growth through 2031, off an anticipated 2026 base of $7.00. 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] Estimated dates based on past dividend dates.

[2] In its original Mexican Peso declaration.

[3] Share count is in millions.

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

*Updated July 27th, 2026, by Kody Kester*

## 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 | ***15.7*** | ***16.0*** |
| **Avg. Yld.** | 2.8% | 2.5% | 2.8% | 3.0% | 4.6% | 4.5% | 3.8% | 3.1% | 3.8% | 3.7% | ***3.9%*** | ***3.9%*** |

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 still believe 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 15.7, this implies shares are slightly undervalued.

## 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% | ***62%*** | ***62%*** |

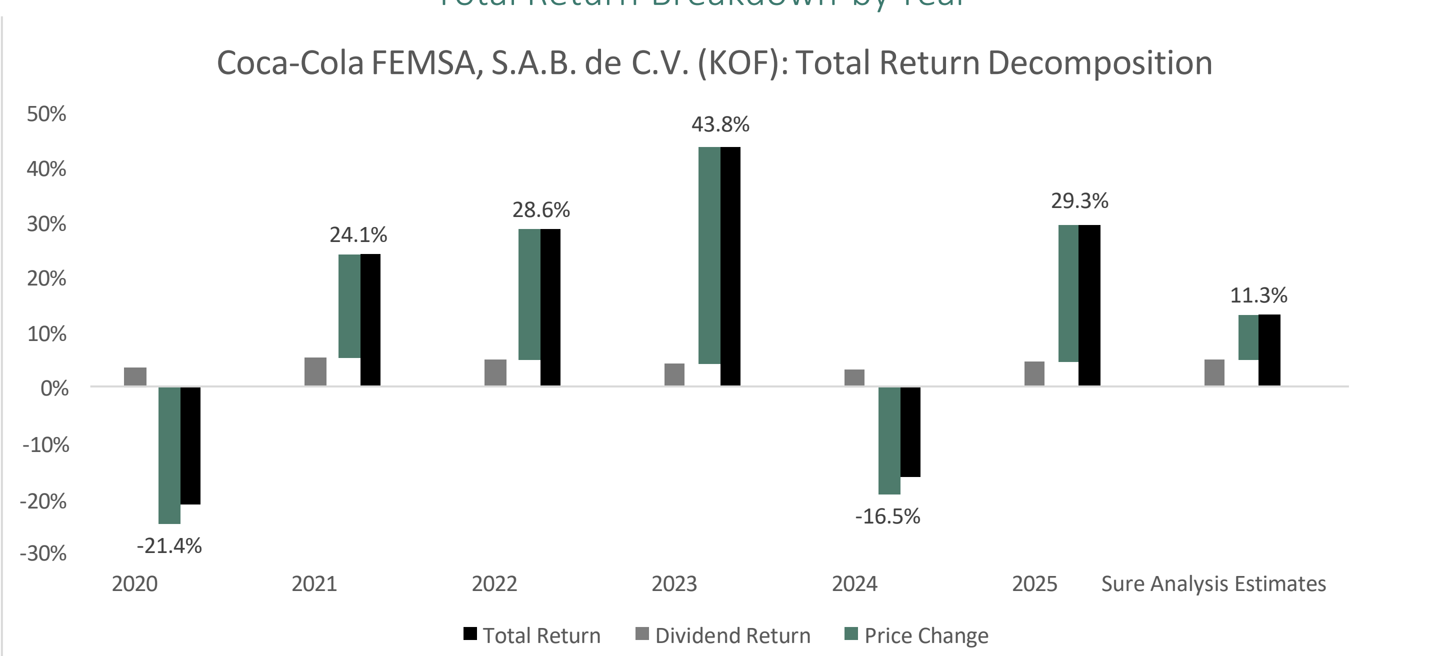
KOF's dominant position as the largest Coca-Cola bottler in Latin America is its competitive advantage. That gives it significant pricing power and distribution efficiency. Its ability to leverage The Coca-Cola Company's brand strength while optimizing local production and logistics provides a durable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

KOF's interest coverage ratio 6.2x through the first half of 2026. 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 low-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 3.9% dividend yield, 7.5% annual EPS growth prospects, and 0.4% annual valuation upside potential could deliver 11.3% 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.*

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

*Updated July 27th, 2026, by Kody Kester*

## 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.*