

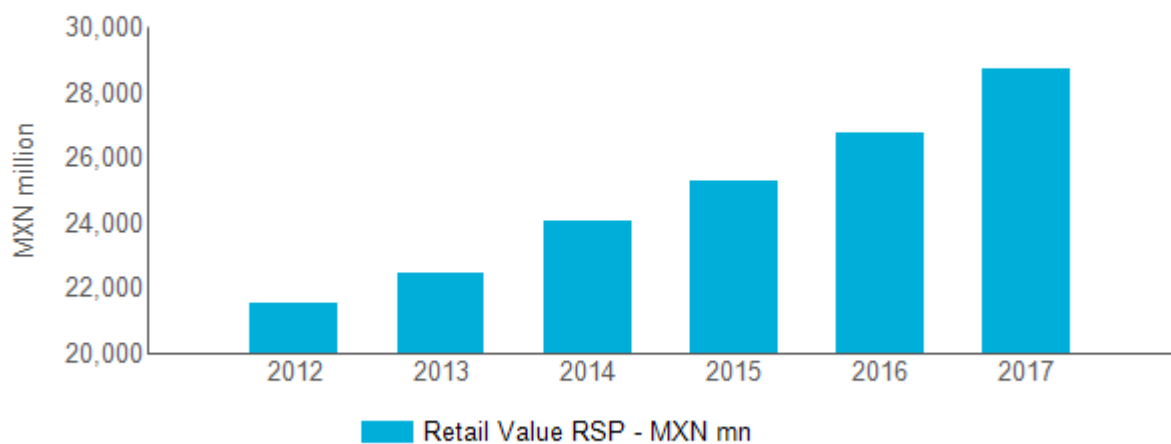
COFFEE IN MEXICO

15 Feb 2018

HEADLINES

- In 2017 retail sales grow by 2% in volume terms and 7% in current value terms
- Convenience drives sales growth in 2017
- Foodservice volume sales rise by 3% in 2017
- Nestlé México leads in 2017 with a 56% retail value share
- Retail sales are set to see a 2% volume CAGR and a 3% value CAGR at constant 2017 prices over the forecast period

Market Size Coffee - Mexico 2012 - 2017



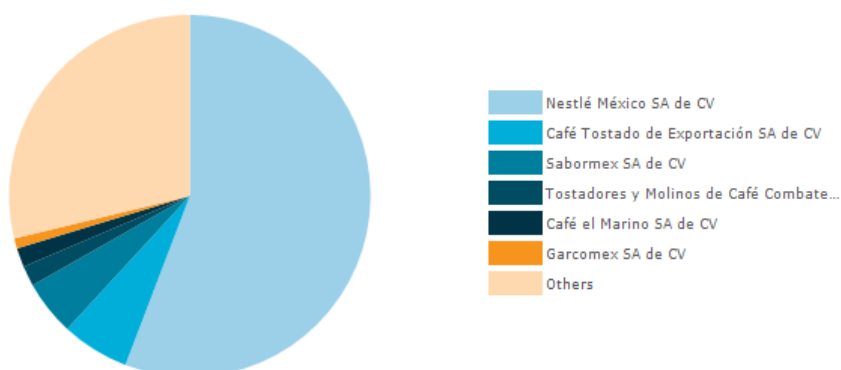
Source: Passport by Euromonitor International

COMPETITIVE LANDSCAPE

Important new product launches in the review period included instant coffee by Nestlé, made with coffee beans from Chiapas, Oaxaca and Veracruz, which are well known for their production of high-quality coffee. In 2017, the company went further, offering instant coffee products, including Xiapan and Verarica, produced with coffee grown in specific reserves within these states. Other new brands also entered, mostly focusing on the premium segment. Well-positioned coffee brands like Cafe Punta del Cielo and the premium brand Garat launched new products with specific attributes for more sophisticated consumers. Cafe Punta del Cielo released its first instant coffee, highlighting the production process (lyophilisation) as the main product differentiator, while Garat introduced fresh ground coffee with French vanilla.

In 2017, Nestlé México remained a strong leader of coffee in retail volume and value sales. Widely known for its coffee brands, the company remained the undisputed leader in instant coffee, where it offers brands like Nescafé and Taster's Choice. It also maintained its leading position in fresh ground coffee pods through the Nescafé Dolce Gusto and Nespresso brands. In addition to being top-of-mind amongst consumers, Nestlé's instant coffee brands are widely available across the country. Regarding its coffee pods brands, the player's leading position owes much to being an innovator, supported by Nestlé's strong reputation in coffee.

Company Shares (by National Brand Owner) Coffee - Mexico - Retail Value RSP - % 2017



Source: Passport by Euromonitor International

NATIONAL BRAND OWNERS AND THEIR BRANDS

Company Name (NBO)	Brand (GBO)
Café el Marino SA de CV	El Marino (Café el Marino SA de CV)
Café Internacional de Córdoba SA de CV	Tradición de Córdoba (Café Internacional de Córdoba SA de CV)
Café Tostado de Exportación SA de CV	Declase (Café Tostado de Exportación SA de CV), Kasinka (Café Tostado de Exportación SA de CV), Los Portales (Café Tostado de Exportación SA de CV)
Garcomex SA de CV	Café de Olla (Garcomex SA de CV), Santa Fé (Garcomex SA de CV)
Intercafé SA de CV	Blasón (Herdez SAB de CV, Grupo)
Nestlé México SA de CV	Dolca (Nestlé SA), Nescafé (Nestlé SA), Nescafé Decaf (Nestlé SA), Nescafé Dolce Gusto (Nestlé SA), Nespresso (Nestlé SA), Taster's Choice (Nestlé SA)
Sabormex SA de CV	Café Legal (Sabormex SA de CV), Café Mexicano (Sabormex SA de CV), Garat (Sabormex SA de CV), Internacional (Sabormex SA de CV), Tazza (Sabormex SA de CV)
Starbucks de México SA de CV	Starbucks (Starbucks Corp)
Tostadores y Molinos de Café Combate SA de CV	Café Combate (Tostadores y Molinos de Café Combate SA de CV)
XKMEX SA de CV	Café Punta del Cielo (XKMEX SA de CV)

Source: Passport by Euromonitor International

DEFINITIONS AND METHODOLOGY

Coffee

This is the aggregation of fresh coffee and instant coffee. Please note that foodservice sales of coffee are volumes sold to the on-trade (foodservice) sector and not those sold to the consumer.

Methodology

This report is derived from Euromonitor International's Passport information system. Industry research is carried out by a global team of more than 600 in-country analysts and is based on a core set of research techniques:

- National-level desk research, company research and analysis, store checking, trade interviewing with national players and market analysis
- International-level desk research, multinational company research and analysis, trade interviewing with international players and market analysis