

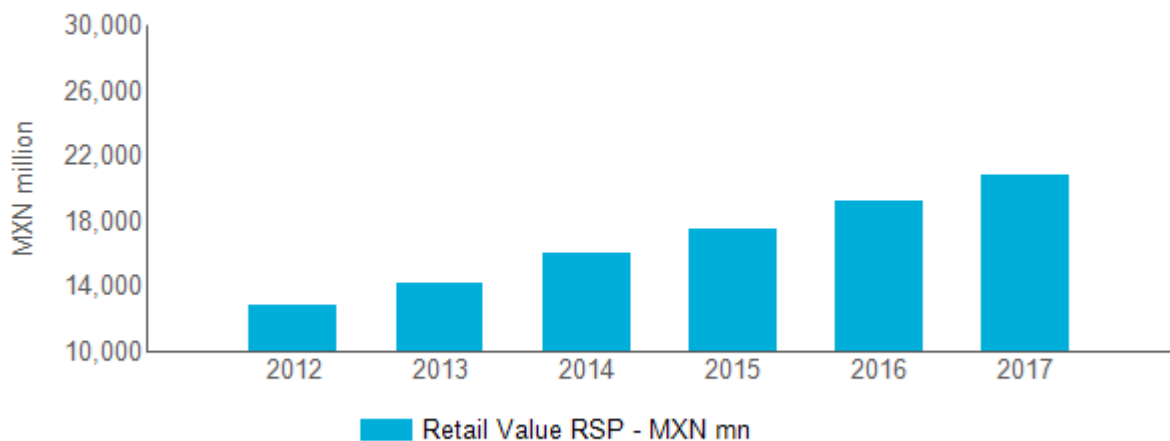
CHOCOLATE CONFECTIONERY IN MEXICO

22 Aug 2017

HEADLINES

- In 2017, retail sales of chocolate confectionery reach 69,000 tonnes and MXN20.9 billion, growing by 2% and 9%, respectively
- Ferrero continues gaining share in 2016, especially through the brand Kinder Sorpresa
- Sales of tablets see the highest value growth of 10% in 2017
- Average unit prices see a 7% increase in 2017, reaching MXN302 per kg
- In 2017, four companies account for 70% of total value sales
- Over the forecast period, sales of chocolate confectionery are expected to see CAGRs of 2% and 3% in terms of volume and value (at constant 2017 prices), respectively

Market Size Chocolate Confectionery - Mexico 2012 - 2017

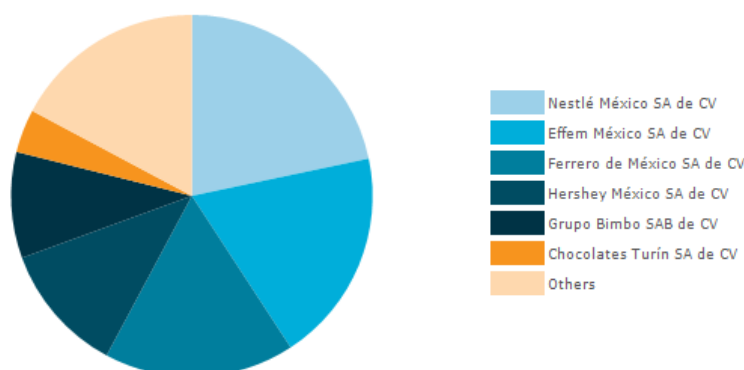


Source: Passport by Euromonitor International

COMPETITIVE LANDSCAPE

- In 2016, leadership of the category continued to be shared by three top players, Nestlé México SA de CV, accounting for 22% of the retail sales value, Effem México SA de CV, with 19%, and Ferrero de México SA de CV, with 17%. These companies manage well-positioned brands, such as Carlos V (Nestlé), Snickers (Effem) and Kinder Sorpresa (Ferrero), that are highly appreciated by consumers. In addition to their well-positioned brands, these companies have well-developed distribution networks that allow them to reach a wide base of consumers. In 2017, these three companies remained the leaders in the category.
- The biggest increase in sales value in 2016 was observed by Ferrero de México SA de CV with a 14% increase compared with the previous year. The good performance of this company is explained by a mix of successful strategies. Over the review period, the company closed a distribution agreement with Danone de México SA de CV to reach more points of sale in the traditional channels, while maintaining its high quality. Danone is a leading company in yoghurt, which is a good fit with Ferrero that needs to control the temperature of its products, to maintain the high quality they offer. Another driver for this company during 2016 and 2017 is its local production that has alleviated the challenge of dealing with a weakening local currency.

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



Source: Passport by Euromonitor International

NATIONAL BRAND OWNERS AND THEIR BRANDS

Company Name (NBO)	Brand (GBO)
Arcor de México SA	Bon o Bon (Arcor SAIC)
Chocolates Turín SA de CV	Lindt (Chocoladefabriken Lindt & Sprüngli AG), Turín (Chocolates Turín SA de CV)
Effem México SA de CV	3 Musketeers (Mars Inc), M&M's (Mars Inc), Milky Way (Mars Inc), Snickers (Mars Inc), Twix (Mars Inc)
Ferrero de México SA de CV	Ferrero (Ferrero Group), Kinder Bueno (Ferrero Group), Kinder Chocolate (Ferrero Group), Kinder Surprise (Ferrero Group)
Giselle SA de CV	Giselle (Giselle SA de CV)
Grezon SA de CV	Grezon Brands (Luigi Zaini SpA)
Grupo Bimbo SAB de CV	La Corona (Grupo Bimbo SAB de CV), Ricolino (Grupo Bimbo SAB de CV)
Hershey México SA de CV	Almond Joy (Hershey Co, The), Hershey's Bar with Almonds (Hershey Co, The), Hershey's Bites (Hershey Co, The), Hershey's Cookies 'n' Crème (Hershey Co, The), Hershey's Kisses (Hershey Co, The), Hershey's Krackel (Hershey Co, The), Hershey's Milk Chocolate (Hershey Co, The), Hershey's Miniatures (Hershey Co, The)
La Cubana SA de CV	La Cubana (La Cubana SA de CV)
La Suiza SA de CV	La Suiza (La Suiza SA de CV)
Mondelez México S de RL de CV	Cadbury Dairy Milk (Mondelez International Inc), Mr Big (Mondelez International Inc), Toblerone (Mondelez International Inc)
Montes y Cía SA de CV	Andineta (Montes y Cía SA de CV)
Nestlé México SA de CV	Almon-Ris (Nestlé SA), Cajetoso (Nestlé SA), Carlos V (Nestlé SA), Crunch (Nestlé SA), Freskas (Nestlé SA), Kit Kat (Nestlé SA), Larin (Nestlé SA), Nestlé (Nestlé SA), Tin Larin (Nestlé SA)
Wong's SA de CV	Vaquitas (Wong's SA de CV)

Source: Passport by Euromonitor International

DEFINITIONS AND METHODOLOGY

Chocolate Confectionery

This is the aggregation of tablets, countlines, bagged selflines/softlines, boxed assortments, seasonal chocolate, chocolate with toys, alfajores and other chocolate confectionery. Note that chocolate overtly positioned for baking/cooking purposes is excluded from Euromonitor International's confectionery coverage.

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