CORPORATE CREDIT REVIEW · 25 SEPTEMBER 2026

The Central America Bottling Corporation — Beverages & Bottling, Central America / Caribbean / South America

Central America Bottling Corporation Credit Review

New 2036 Notes Priced at 7.10%; Market Weight, with Parent Exposure a Key Risk

KHORLAN VIEW — MARKET WEIGHT. CBC priced a $875mm 6.95% senior unsecured note due October 2036 (yield 7.10% at re-offer, expected Ba2/BB) to tender for up to $400mm of its 2029 notes, repay its syndicated loan and cover transaction costs. The new deal extends CBC's maturity profile and de-risks the 2029 refinancing wall, and secondary trading (7.01% yield, ~9bp tighter than re-offer) suggests reasonable initial demand. We rate the issuer Market Weight: leverage was already improving into the deal (4.11x, inside covenant) and the '36s screen fair-to-slightly-cheap versus higher-rated regional peer Coca-Cola FEMSA (KOF) once adjusted for the multi-notch rating gap, but we want to see the final sources-and-uses (tender take-up, exact loan paydown) before turning more constructive, and the related-party loan to parent MGHC (Section 8) remains an overhang on the credit.

NEW ISSUE SNAPSHOT — PRICED 25 SEP 2026. $875mm senior unsecured notes due 1 Oct 2036 (10-year) — coupon 6.95%, priced at 98.939 to yield 7.10% — expected Ba2/BB (Moody's/Fitch). Khorlan recommendation: Market Weight (issuer), preference for the new '36s over the '29s. Open question: final tender take-up on the $400mm 2029-notes offer and the exact sources-and-uses split (tender vs. syndicated-loan repayment vs. fees) are not yet disclosed — see Section 13.

Issuer	**The Central America Bottling Corp. (CBC)**	**Sector**	**Beverages / Bottling**
Legal domicile	**British Virgin Islands**	**Ultimate parent**	**Grupo Empresarial Mariposa (GEMCORP), 81.65%**
Anchor relationship	**PepsiCo anchor bottler, Central America (since 1998)**	**Outstanding bonds**	**2029s 5.25% (≤$400mm tendered) & new 2036s $875mm 6.95%**
LTM revenue (Jun-26)	**~US$2,447mm**	**LTM Adj. EBITDA (Jun-26)**	**~US$447mm**
Adj. leverage (Jun-26)	**4.11x (covenant 4.50x)**	**Rating (new '36s, expected)**	**Ba2 / BB (Moody's/Fitch)**
Recommendation	**Market Weight**	**Preferred bond**	**6.95% senior notes due 2036**

1. EXECUTIVE SUMMARY

- **Investment view:** Market Weight the issuer; prefer the new 6.95% notes due 2036 over the 5.25% notes due 2029 (Section 15).
- **New issue:** on 25 September 2026, CBC priced $875mm of 6.95% senior unsecured notes due 1 October 2036 at 98.939 to yield 7.10%, expected rated Ba2/BB (Moody's/Fitch), to fund a tender for up to $400mm of the 2029 notes, repay its syndicated loan and cover transaction costs (Section 13).
- **Credit positives:** CBC is PepsiCo's anchor bottler for Central America (an 80+ year relationship) with a diversified regional footprint (Section 2); adjusted leverage improved to 4.11x as of June 2026, comfortably inside its 4.50x

covenant (Section 7); and the new notes extend CBC's maturity profile, reducing refinancing concentration at the 2029 maturity.

- **Key risks:** a US$755.2mm unsecured intercompany loan to parent Mariposa Group Holdings Corp. (“MGHC”), equivalent to more than 40% of CBC's adjusted total debt (Section 8); incomplete visibility into the new deal's final sources-and-uses and tender take-up (Section 13); and revenue concentration in Central America, CBC's lowest-margin region (Section 6).

This note covers CBC's business, ownership, financial performance and credit metrics as of the second quarter of 2026, together with the terms of the newly priced 2036 notes and our resulting bond-level view (Sections 13–15). Detailed operating metrics and a note on source discrepancies between company documents appear in Section 2; segment and balance-sheet detail appear in Sections 6–7.

2. COMPANY OVERVIEW

The Central America Bottling Corporation (“CBC” or “the Company”) was organized under the laws of the British Virgin Islands on 28 December 1994. CBC is part of Grupo Mariposa, a beverage and consumer-foods conglomerate controlled by the Castillo family, and describes itself as one of the leading producers, distributors and sellers of beverages in Latin America.

CBC's history with PepsiCo dates to 1942, when it became PepsiCo's first bottler outside the United States; since 1998 CBC has been PepsiCo's designated “anchor bottler” for Central America. In 2002, CBC established a joint venture with AmBev (AB InBev's Latin American beer business) for beer production and distribution in Guatemala, and in 2016 the Company created Beliv, its own business unit for developing and selling healthier, more natural and functional beverages, which it now exports to more than 30 countries with third-party distributors. CBC also participates in ready-to-drink alcoholic beverages through a joint venture with Industrias Licoreras de Guatemala (aged rums, including Zacapa Centenario and Botran) initiated in 2021, and in Jamaica holds a 50% interest in a joint venture with Red Stripe (controlled by Heineken) known as Celebrations Brand Limited.

The portfolio spans carbonated soft drinks (CSDs), juices and nectars, bottled water, isotonic beverages, energy drinks, tea and beer, together with snacks distribution and royalties earned from other bottlers and distributors using CBC's proprietary brands. Company materials describe a portfolio of over 438 brands and more than 3,500 SKUs; the CSD category alone includes PepsiCo brands (Pepsi, 7UP, Mirinda, Mountain Dew) alongside proprietary Beliv trademarks (Salutaris, Rica, Grapette, Tropical, Gallito, Mas, Ting, Quintuples).

Footprint & Capacity — Source Discrepancy Flagged

The Q2 2026 MD&A describes 15 manufacturing plants and 81 production lines across the operating region, with a combined annual capacity of over 900 million unit-cases, plus partnerships contributing 12 additional plants and 82.2 million monthly cases of external capacity. A separate company overview document instead cites 16 plants and 77 bottling lines. Distribution infrastructure is described in the MD&A as 94 warehouses, more than 1,767 trucks, over 2,500 sales routes and more than 250,000 coolers, reaching 1.26 million core points of sale directly and a further 817,000 points indirectly through 37 non-CBC distribution partners; the overview document instead cites more than 1,809 trucks and over 4,100 sales routes, and a broader reach into 35 countries. We flag these as unreconciled figures between two company-provided sources rather than resolving them ourselves — the scale of the discrepancy (particularly on sales routes) is large enough to warrant confirmation directly with the Company before it is used as a precise operating benchmark.

Regional Footprint

Figure 1. CBC Regional Footprint

The map below shows CBC's regional footprint directly, with each market flagged and labeled. Uruguay is labeled separately as a procurement hub (no bottling), and the color key at right distinguishes the nine core bottling/distribution markets from export-and-distribution-only presence; the box at bottom left lists CBC's presence outside Latin America.



Source: Khorlan Capital SRL, adapted from CBC's company website (www.cbc.co) and the Q2 2026 MD&A. Base map CC BY-SA 3.0 (MacDonald/Lekschas); flags MIT (lipis/flag-icons); illustrative only, not authoritative on boundaries.

> **RISK** Two company-provided descriptions of CBC's plant count, truck fleet and sales-route network do not agree with each other. We present both without adjudicating which is current, and would treat either as directional rather than precise pending clarification.

3. OWNERSHIP & CORPORATE STRUCTURE

CBC's ultimate parent and principal shareholder is Grupo Empresarial Mariposa (“GEMCORP”), which per the Company's financial statements holds an effective participation of 81.65% in CBC. In 2024, CBC executed a corporate reorganization that created Mariposa Group Holdings Corp. (“MGHC”) as the new designated holding entity of Grupo Mariposa; MGHC now holds the majority stake in CBC as well as a controlling interest in BIA Foods Investments, Inc. (“BIA”), a separate Grupo Mariposa food platform. MGHC was incorporated as a guarantor of CBC's bonds as part of this reorganization, and its own (much larger) consolidated balance sheet — which appears to include BIA and other Grupo Mariposa assets beyond CBC — is disclosed separately in CBC's Q2 2026 MD&A for informational purposes; we treat MGHC's consolidated figures as informational context rather than as CBC's own restricted-group financials.

The ownership split disclosed in company materials is approximately: Mariposa Group Holding Corp. 82.5%, PepsiCo 12.0%, other minorities 2.7%, and the remaining 2.8% held as CBC treasury stock. Beliv LLC, which owns CBC's proprietary brands, has been a wholly-owned CBC subsidiary since Q1 2025.

CBC's US$1,100mm sustainability-linked bond (issued January 2022, maturing April 2029, coupon 5.25%) is co-issued by CBC, CBC Bottling Holdco, S.L. and Beliv Holdco, S.L., and jointly and severally guaranteed by MGHC and a broad list of operating subsidiaries across Guatemala, Honduras, El Salvador, Peru, Jamaica, Puerto Rico, Uruguay and other jurisdictions. Bond proceeds were used to repurchase a prior US$700mm bond, repay bank debt and increase cash reserves.

4. RECENT DEVELOPMENTS (Q2 2026)

- **PepsiCo recognition:** at the 2026 PepsiCo Bottlers Forum, CBC received three regional awards — for quality and food safety, for innovation (the launch of Pepsi Fizz in Guatemala), and for productivity/system-wide efficiency.
- **Portfolio innovation:** new launches in the first half of 2026 included Celsius (Puerto Rico, energy), AMP Gorilla (Guatemala, energy) and Electrolit Zero (Puerto Rico, isotonics/no-sugar); Big Easy Pop (low-sugar, prebiotic/probiotic) expanded across additional U.S. retail partners, and Old Jamaica (ginger beer, UK) and Ting (Caribbean-inspired CSD) continued international expansion.
- **Cost & procurement:** centralized procurement through CBC Intl. (the Group's Uruguay-based procurement hub) and the ATLAS revenue-growth-management program continued to drive efficiencies; cumulative ATLAS benefits since 2020 are cited at over US$258mm in productivity/efficiency savings and US$165mm in top-line benefits, across more than 4,800 initiatives.
- **Organizational transformation:** CBC continued a reorganization aimed at a leaner corporate structure and the rollout of a Global Business Services (“GBS”) model developed with Accenture; go-to-market capabilities have also been upgraded through an “M5” program using Big Data/AI-driven suggested ordering.
- **Commodity and weather exposure:** management flagged fuel/diesel price volatility linked to Middle East developments and continued monitoring of a potential strong El Niño event, which could support beverage consumption while creating localized logistics and agricultural supply pressures.

5. FINANCIAL PERFORMANCE — H1 2026

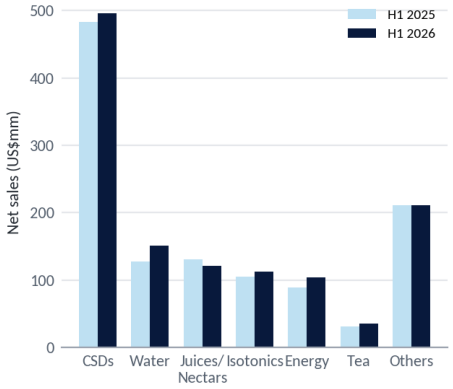
For the six months ended 30 June 2026, CBC reported net sales of US$1,211.6mm, up 4.5% year-over-year, on total sales volume of 316.0mm unit-cases (+3.9% YoY). Growth was led by Water (+18.3%), Energy Drinks (+17.6%) and Tea (+14.1%), partly offset by a 7.1% decline in Juices & Nectars; CSDs, still the largest category at 40.9% of net sales, grew 2.6%.

CATEGORY	H1-26 (US$mm)	H1-25 (US$mm)	YoY %	% OF TOTAL (H1-26)
CSDs	495.7	483.2	2.6%	40.9%
Water	151.0	127.7	18.3%	12.5%
Juices & Nectars	121.4	130.7	(7.1%)	10.0%
Isotonics	112.7	104.5	7.9%	9.3%
Energy Drinks	104.0	88.4	17.6%	8.6%
Tea	35.7	31.3	14.1%	2.9%
Others (1)	211.5	211.3	0.1%	17.5%
(-) Rebates	(20.4)	(18.2)	12.1%	(1.7%)

Source: CBC Q2 2026 MD&A, Net Sales by Category. YoY % expressed in absolute terms per Company convention. Khorlan Capital SRL.

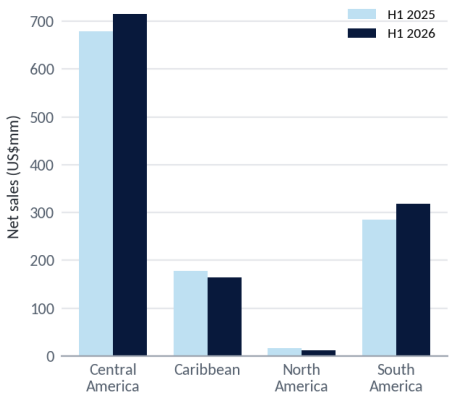
Figure 2. Net Sales by Category & Figure 3. Net Sales by Geographic Region

Figure 2. Net Sales by Category



Source: CBC Q2 2026 MD&A. Khorlan Capital SRL.

Figure 3. Net Sales by Geographic Region



Source: CBC Q2 2026 MD&A. Khorlan Capital SRL.

Takeaway: Growth is broad-based across categories, but geographically uneven: Central America (+5.4%) and South America (+11.6%, led by Peru +14.4% and Ecuador +13.0%) drove the increase, while the Caribbean declined 7.2% on a 12.9% drop in Puerto Rico, and North America fell 26.6% from a small base.

Cost of sales as a percentage of net sales improved to 57.9% in Q2 2026 from 59.8% in Q2 2025 (a quarterly, not half-year, figure as disclosed by the Company), which management attributes to procurement efficiencies via the Uruguay-based CBC Intl. hub and the ATLAS program, partly offset by higher fuel/diesel and concentrate costs during the quarter. Selling and administrative expenses were broadly stable at 36.3% of net sales in Q2 2026 versus 36.1% in Q2 2025 (also a quarterly figure).

Gross profit rose 9.6% year-over-year to US$510.2mm and operating profit rose 83.6% to US$70.6mm (a slightly different 83.8% change is shown in the Annex financial statements table, a minor rounding discrepancy between the two Company documents). Net financial cost declined 9.2% to US$46.9mm, reflecting lower utilization of short-term financing and scheduled debt repayments. Net profit for the period was US$6.8mm, versus a net loss of US$22.7mm in H1 2025.

6. SEGMENT & GEOGRAPHIC PERFORMANCE

CBC discloses segment results by region. Central America remains the core market by revenue (59.1% of net sales) but carries the thinnest regional operating margin (4.6%), while the Caribbean — driven by a strong Jamaica result (an 18.2% operating margin at the country level, aided by royalty and joint-venture economics) — is the most profitable region despite lower revenue. South America grew fastest (+11.6% YoY) but at a still-modest 5.6% margin, with Ecuador (0.4% margin) and Peru (1.6% margin) both running thin at the country level even as their top lines grew double digits. North America (USA and Mexico, a small base) posted an operating loss.

REGION	NET SALES (US$mm)	% OF TOTAL	OP. PROFIT (US$mm)	OP. MARGIN
Central America	715.7	59.1%	33.0	4.6%
Caribbean	165.1	13.6%	21.0	12.7%
North America	12.3	1.0%	(1.5)	(12.1%)
South America	318.5	26.3%	18.0	5.6%
Total	**1,211.6**	**100.0%**	**70.6**	**5.8%**

Source: CBC unaudited interim condensed consolidated financial statements, Note 4 (Segment Information), six months ended 30 Jun 2026. Uruguay is excluded from the regional operating-margin discussion above as a pure procurement hub whose reported cost-of-sales and margin figures are not comparable to an operating market. Khorlan Capital SRL.

Takeaway: The revenue mix (Central America-heavy) and the margin mix (Caribbean-led) point in different directions — CBC's largest market is also its lowest-margin one, which is worth monitoring as a structural feature of the credit rather than a one-period anomaly.

7. BALANCE SHEET, LIQUIDITY & LEVERAGE

BALANCE SHEET (US$mm)	JUN-26	DEC-25
Cash	158.7	261.9
Held-to-maturity investments (current)	74.8	93.9
Total current assets	**742.9**	**896.5**
Property, plant & equipment	663.8	729.8
Total assets	**2,791.9**	**2,961.0**
Short-term loans & borrowings	171.0	159.3
Long-term loans & borrowings	585.3	598.4
Bonds payable	1,064.0	1,059.3
Total liabilities	**2,705.5**	**2,842.5**
Total equity	**86.4**	**118.5**

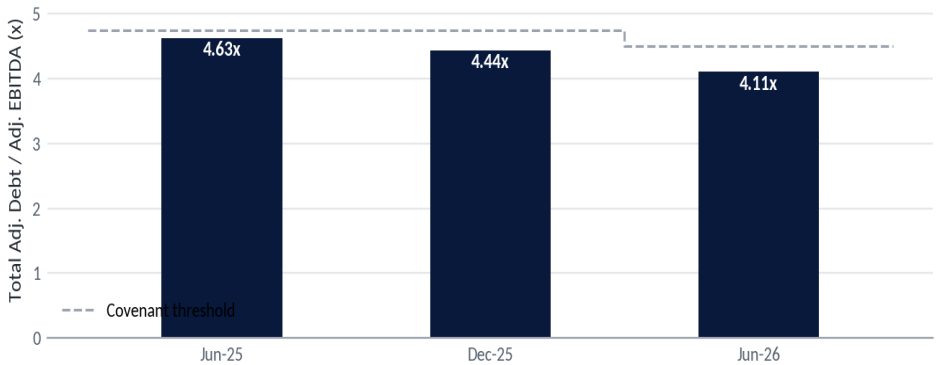
Source: CBC unaudited interim condensed consolidated statement of financial position, 30 Jun 2026 vs. 31 Dec 2025 (audited). Khorlan Capital SRL.

Total equity fell from US$118.5mm to US$86.4mm over the six months, primarily reflecting a US$41.1mm dividend (versus US$37.7mm in H1 2025) that exceeded the period's net profit, together with negative foreign-currency translation effects on equity.

Liquidity

Total cash balances as of June 2026 were US$158.7mm, plus US$74.8mm of held-to-maturity investments, for a total liquidity position of US$233.5mm. This excludes US$111.1mm of restricted cash investments related to the Group's Lender of Record structure, which are pledged as security for an equivalent amount of bank loans and are not available for general corporate purposes.

Figure 4. Adjusted Leverage vs. Covenant Threshold



Source: CBC Q2 2026 MD&A and financial covenants disclosure. Covenant step-down per the 2024 consent solicitation: 4.75x through 31 Mar 2026, 4.50x from 1 Apr 2026 to 31 Mar 2027, tightening further thereafter. Khorlan Capital SRL.

Takeaway: CBC has operated with a growing cushion to its leverage covenant over the past year, and the cushion held even as the covenant itself stepped down from 4.75x to 4.50x in April 2026 — leverage improvement has outpaced the tightening covenant schedule so far.

Credit Metrics

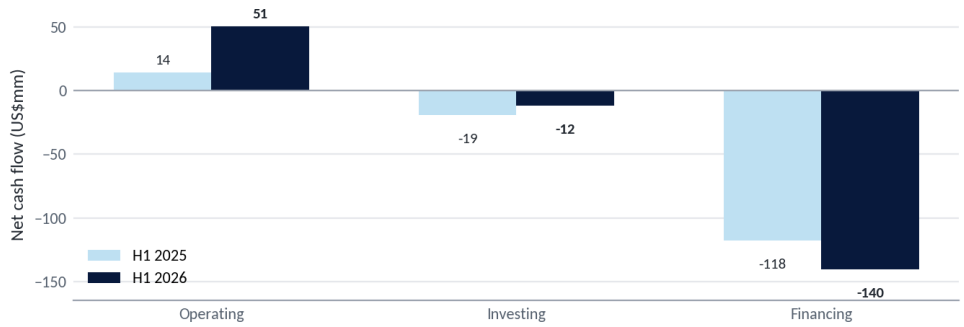
CREDIT METRIC (US$mm unless noted)	JUN-26	JUN-25
Adjusted EBITDA (period)	173.1	137.9
LTM Adjusted EBITDA	447.1	396.0
Adjusted total debt	1,837.9	1,833.8
Net debt	1,604.4	1,650.4
Total Adj. Debt / Adj. EBITDA	4.11x	4.63x
Net Debt / LTM Adj. EBITDA	3.59x	4.17x
LTM Adj. EBITDA margin	18.27%	16.65%
Interest coverage (Adj. EBITDA / net financial expense)	5.00x	4.32x

Source: CBC Q2 2026 MD&A, "Financial Covenants and Other Financial Ratios" table (Jun-26 vs. Jun-25, i.e. year-over-year, not vs. Dec-25). Adjusted total debt excludes US$111.1mm of Lender of Record borrowings. Khorlan Capital SRL.

RISK The Company's disclosed components of adjusted total debt (short-term borrowings + long-term debt + IFRS 16 lease liabilities + senior notes) sum to approximately US$1,916.6mm against a disclosed total of US$1,837.9mm — a ~US$78.7mm gap we could not bridge from the disclosed materials. We present the headline US$1,837.9mm figure, which is consistent across both the MD&A narrative and the ratios table, but flag the component build-up as unreconciled. Separately, the MD&A narrative states the LTM Adjusted EBITDA margin expanded "from 15.2% as of December 31, 2023," which appears to be a typographical error (the ratios table shows 16.65% at Jun-25, not a Dec-23 figure) — we have not corrected this in the source and note it here rather than silently adopting either number.

Cash Flow

Figure 5. Cash Flow Summary



Source: CBC unaudited interim condensed consolidated statement of cash flows, six months ended 30 Jun 2026 vs. 30 Jun 2025. Khorlan Capital SRL.

Takeaway: Operating cash flow more than tripled year-over-year (US$50.7mm vs. US$14.2mm), on stronger profitability and disciplined working-capital management, while capital expenditure declined to US$39.3mm (management guides to capex at or below 5.5% of net sales going forward) as a multi-year investment cycle concludes. Financing outflows grew, driven by the larger dividend.

8. RELATED-PARTY & INTERCOMPANY EXPOSURE

As of 30 June 2026, CBC held an intercompany loan receivable from Mariposa Group Holdings Corp. (its own holding parent) of US$755.2mm, comprising US$744.1mm of principal and US$11.1mm of accrued interest — up from US$733.4mm at year-end 2025. The loan is unsecured, bears a fixed annual interest rate of 6% and matures in eight years. At 27.0% of CBC's total assets (US$2,791.9mm), and more than 40% of CBC's adjusted total debt, this is a large, growing, unsecured exposure to the entity that also serves as guarantor of CBC's own bonds.

CBC separately reported accounts receivable from related companies of US$55.7mm and related-party accounts payable of US$104.7mm as of June 2026 (predominantly with PepsiCo, Inc.), reflecting ordinary-course commercial relationships (concentrate purchases, brand royalties, services) rather than financing activity. Related-party purchases of raw materials and finished product (concentrate and beer) totaled US$273.7mm in H1 2026.

> **RISK** A US$755.2mm unsecured, long-dated loan to the parent company — which is also the guarantor of CBC's bonds — represents a significant related-party concentration. Bondholders effectively bear indirect exposure to how MGHC deploys this capital (including, per the Annex, a much larger consolidated balance sheet at MGHC that appears to include the BIA Foods platform). We would want more visibility into the use of these intercompany proceeds before forming a full credit view.

9. SUSTAINABILITY (ESG)

CBC issued its first Sustainability-Linked Bond (the Company's only outstanding bond) in January 2022, with two Sustainability Performance Targets (SPTs) validated by the Science Based Targets initiative (SBTi) in March 2024: (i) a 26.67% reduction in Scope 1+2 GHG emissions by 2025 and 48.9% by 2030 (against a revised 2019 baseline of 94,343 tCO_2e), and (ii) a 27.5% absolute Scope 3 emissions reduction by 2031 (33.3% for Scope 3 FLAG), plus a zero-deforestation commitment by 31 December 2025.

As of 31 December 2025, CBC reported Scope 1+2 emissions of 47,346.90 tCO_2e, a 49.81% reduction from the 2019 baseline — exceeding both the original and revised 2025 targets — independently verified by Ernst & Young under the ISAE 3410 standard. Separately, CBC exceeded its Zero Waste to Landfill target, certifying 10 of 16 (or 15, per the plant-count discrepancy noted in Section 2) manufacturing plants against a target of 8, with 93.14% of operational waste managed under the standard by year-end 2025. The Company's original certification partner, the Carbon Trust, discontinued this service line in mid-2024 and CBC transitioned to SGS as its new certification partner.

10. GOVERNANCE & LEADERSHIP

CBC's Board of Directors comprises nine members: four appointed by GEMCORP (including Chairman Carlos Enrique Mata and Grupo Mariposa CEO Juan Pablo Mata), two appointed by PepsiCo (including PepsiCo LatAm Beverages President Erick Scheel and CFO Maria Laura Zablacks), and three independent directors (including a former Apex CEO and a Diageo Mexico/Cuba managing director), selected via a process led by Heidrick & Struggles. The independent directors are evaluated annually by the controlling group (GEMCORP and PepsiCo jointly). The Board maintains five committees: Audit; Strategy and M&A; Talent and Compensation; Risk and Finance; and Sustainability. CBC's CEO, Ziad Nahas, has been with the Company for 18 years and is based at CBC's Puerto Rico strategic hub, alongside Beliv's R&D/marketing hub and Uruguay's procurement hub (CBC Intl.).

11. KEY RISKS

- **Related-party concentration:** the US$755.2mm intercompany loan to parent MGHC (Section 8) is the single largest asset-side credit consideration identified in this note.
- **Geographic concentration & margin mix:** 59% of net sales come from Central America, CBC's lowest-margin region; a further deterioration there would disproportionately affect consolidated profitability.
- **Commodity and FX exposure:** sugar, PET, aluminum, fuel and concentrate costs (the latter linked to local-currency pricing actions) are managed through hedging (target ~80% +/-5% of projected volumes) but remain a source of margin volatility; revenue is earned largely in local currencies against a partially USD-denominated cost base.
- **Weather/agricultural risk:** management flags a potential strong El Niño event as a source of both consumption upside (higher temperatures) and supply-chain/agricultural-commodity cost risk.

- **Covenant step-downs:** the leverage covenant tightens further to 4.25x (Apr 2027–Mar 2028) and 4.00x (from Apr 2028), which will require continued EBITDA growth or debt reduction to maintain the current cushion.
- **Source-data inconsistencies:** as flagged throughout this note (plant/truck/route counts, debt bridge, EBITDA margin comparison base), certain Company-disclosed figures do not reconcile cleanly across documents; we have presented rather than resolved these.

13. NEW ISSUE — $875MM 6.95% SENIOR NOTES DUE 2036

On 25 September 2026, CBC priced a US$875mm 10-year senior unsecured note (the "2036 notes"), tightening from initial price talk of "7% area" and guidance of 7.20% area (+/-5) to a re-offer yield of 7.10% (coupon 6.95%, priced at 98.939). The deal carries expected ratings of Ba2 (Moody's) / BB (Fitch) and is guaranteed by CBC subsidiaries and Mariposa Group Holdings Corp., consistent with the existing 2029 notes' guarantor structure.

TERM	DETAIL
Issuer	CBC, CBC Bottling Holdco, S.L.U., Beliv Holdco, S.L.U.
Guarantors	CBC subsidiaries and Mariposa Group Holdings Corp. (consistent with the 2029 notes)
Amount / Tenor	US$875mm / 10-year, due 1 Oct 2036
Coupon / Re-offer yield	6.95% / 7.10% (priced at 98.939)
Price talk	IPT "7% area" → guidance 7.20% area (+/-5) → priced 7.10%
Expected ratings	Ba2 / BB (Moody's / Fitch)
Format	144A/Reg S, senior unsecured
Use of proceeds	Tender for up to US$400mm of 2029 notes; repay syndicated loan; transaction costs
Settlement	1 Oct 2026 (T+5)
Bookrunners	BofA, Citi, JPMorgan
Ticker	CBCLMC (previously CAMEBO)

Source: Bloomberg new-issue pricing wire, 25 Sep 2026. Khorlan Capital SRL.

Proceeds will fund a tender offer for up to US$400mm of the existing 5.25% notes due 2029 (which, if fully subscribed, would reduce that issue's outstanding face from approximately US$1,100mm to approximately US$700mm), repay CBC's syndicated bank loan, and cover transaction costs. The pricing wire does not disclose the exact tender consideration or the specific split of proceeds between the tender, the loan repayment and fees.

> **RISK** We do not have the tender offer's purchase price or the precise allocation of the US$875mm proceeds across the tender, the syndicated loan repayment and transaction costs. Pro forma leverage, and the final outstanding size of the 2029 notes, will depend on tender take-up and cannot be computed from the pricing wire alone — we have not estimated either figure and will update this note once a sources-and-uses is disclosed.

Call Schedule

PERIOD	REDEMPTION PRICE
Through 30 Sep 2031	Tax call; 35% equity claw (through call schedule start); make-whole call
1 Oct 2031	Par + 50% of coupon
1 Oct 2032	Par + 25% of coupon
1 Oct 2033	Par + 12.5% of coupon
1 Oct 2034 and thereafter	Par

Source: Bloomberg new-issue pricing wire, 25 Sep 2026. "HY call schedule" terms as disclosed; percentages are of the coupon. Khorlan Capital SRL.

14. BOND CURVE & RELATIVE VALUE

CBC's curve now spans two points: the shrinking 2029 notes (5.25%, spread 101bp, duration 2.32) and the new 2036 notes (6.95%, spread 156bp, duration 7.12). The curve steepens by roughly 11.5bp of spread per year of duration extension between the two bonds — a reasonably steep, but not unusual, slope for a Ba2/BB credit extending from the front end to a 10-year tenor.

TICKER	CPN (%)	MATURITY	BID	ASK	DUR (yrs)	SPREAD (bp)	YTM
CBCLMC	5.250	27 Apr 2029	98.00	98.28	2.32	101	6.10%
CBCLMC	6.950	1 Oct 2036	99.54	99.74	7.12	156	7.01%

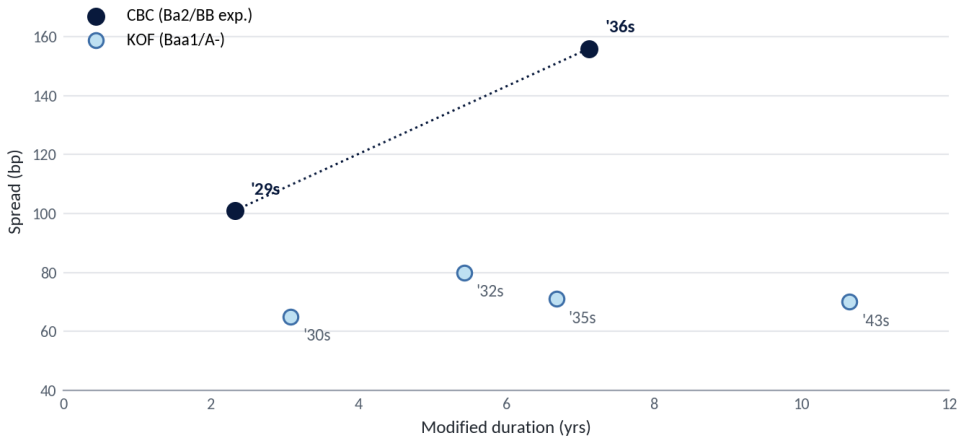
Source: Bloomberg, pricing as referenced in the new-issue wire, 25 Sep 2026. Spread convention as quoted (not specified as Z-spread, OAS or G-spread in the source; presented as given). Khorlan Capital SRL.

Sector Reference: Coca-Cola FEMSA (KOF)

TICKER	CPN (%)	MATURITY	BID	ASK	DUR (yrs)	SPREAD (bp)	YTM	RATING (Moody's/S&P)
KOF	2.750	22 Jan 2030	91.32	91.46	3.08	65	5.66%	Baa1 / A-
KOF	1.850	1 Sep 2032	80.06	80.21	5.43	80	5.88%	Baa1 / A-
KOF	5.100	6 May 2035	94.78	95.07	6.68	71	5.88%	Baa1 / A-
KOF	5.250	26 Nov 2043	90.05	90.65	10.65	70	6.20%	Baa1 / A-

Source: Bloomberg, as referenced in the same market-color wire, 25 Sep 2026. Khorlan Capital SRL.

Figure 6. CBC vs. Coca-Cola FEMSA (KOF) — Spread vs. Duration



Source: Bloomberg. KOF (Coca-Cola FEMSA, a much larger, higher-rated Latin American bottler) shown as a sector reference point, not a direct capital-structure peer. Khorlan Capital SRL.

As a sector reference, we show Coca-Cola FEMSA ("KOF"), a much larger, investment-grade-rated Latin American PepsiCo/Coca-Cola bottler (Baa1/A-), whose curve trades in a 65–80bp spread band across 3–11 years of duration. CBC's new 2036 notes, at a 156bp spread and 7.12 years of duration, trade roughly 75–85bp wide of KOF's comparable-duration bonds (the '32s and '35s). That gap is directionally consistent with CBC's multi-notch lower rating (Ba2/BB vs. Baa1/A-) and its smaller scale, related-party exposure and single-country ownership concentration relative to KOF's larger, more diversified, investment-grade franchise — we would not read the gap itself as a signal that CBC's new notes are mispriced one way or the other; KOF is a useful sector anchor, not a like-for-like comparable.

Takeaway: The new 2036 notes priced with a reasonable concession (7.20% guidance to 7.10% re-offer) and have since traded roughly 9bp tighter in secondary (7.01% shown), suggesting adequate but not exceptional demand — consistent with a fairly priced deal rather than one left cheap on the table or one that struggled.

15. RECOMMENDATION

We rate CBC Market Weight at the issuer level. The credit was already improving into this transaction — adjusted leverage of 4.11x as of June 2026, comfortably inside the 4.50x covenant, and operating profit up 83.6% year-over-year in H1 2026 — and the new 2036 notes extend CBC's maturity profile and reduce refinancing concentration at the 2029 maturity, both credit-positive structural outcomes. Against that, the new notes carry a materially higher coupon (6.95% vs. 5.25% on the notes being tendered), which will raise CBC's cash interest expense, and we still lack the sources-and-uses detail needed to compute pro forma leverage with confidence (Section 13). The unresolved US$755.2mm related-party loan to parent MGHC (Section 8) remains, in our view, the single largest overhang on the credit story regardless of the new issue.

Between the two bonds, we prefer the 6.95% 2036s over the 5.25% 2029s. The 2036s offer meaningfully more spread pickup per year of duration than we would typically require to extend along a Ba2/BB curve, they are the larger, more liquid go-forward benchmark issue, and the 2029s' outstanding float will shrink if the tender is well subscribed. Investors who specifically want to minimize duration or who are able to participate in the tender at an attractive price (not disclosed in the materials we have) may still reasonably prefer the 2029s; we simply do not have the tender price to compare the two economically.

BOTTOM LINE. Market Weight the issuer; prefer the new 6.95% 2036s to the 5.25% 2029s for carry and roll-down. We will revisit both the recommendation and any pro forma leverage math once the tender results and final sources-and-uses are disclosed.

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