

Arca Continental: The Back Story

About the company: Arca Continental is a Mexican beverage company that sells non-alcoholic brand name beverages. It was created as the result of a merger of two companies and has extensive operations in Argentina and Ecuador.

Financial information: The company is publicly traded on the Mexican Bolsa and has an ADR listed in the US. The stock was trading at roughly 100 pesos/share on the Bolsa and the ADR was trading at about \$7.16/share. I will be valuing the company on the local listing. The annual report and latest quarterly report can be found at the links below:

Annual report:

<http://www.stern.nyu.edu/~adamodar/pc/blog/ArcaAnnualReport2014.pdf>

Quarterly report:

<http://www.stern.nyu.edu/~adamodar/pc/blog/ArcaQuarterlyReport2014.pdf>

I have also created a summary financial page for the company on Bloomberg that summarizes key numbers for the last five years.

Bloomberg financial summary:

<http://www.stern.nyu.edu/~adamodar/pc/blog/ArcaBloomberg2014.pdf>

Currency choice: I will be valuing the company in Mexican pesos.

Narrative: I will assume that the company will continue to be a well managed, branded beverage company on its path of decent but not spectacular growth, accompanied by small excess returns (due primarily to brand name) in its current markets. I see little potential for a breakout.