

## Zapata Distilling Company Background

Zapata Distilling Company was founded in 1972 by Manuel Zapata. The company was founded and still remains in Zapata's hometown of Monterrey, Mexico. The Zapata family has lived in Monterrey for many generations and Manuel felt indebted to the community there. He was proud to start this business which, as it grew, brought many new jobs to Monterrey. It is the best way he could imagine to give back to this beloved community he feels so connected to.

Mr. Zapata's passion for crafting high-quality, premium beverages was developed throughout most of his life after starting at a very young age. Manuel's grandfather Juan, whom he looked up to as one of his heroes, made his own beverages as a hobby. As word got around town, he sold some of the product of his efforts to family and neighbors, but always remained on a very small scale and he made little to no profit. This was a hobby he loved and he did it for the pure joy it brought him, especially after retiring from his job as a farmer.

It was from his farming profession that he had gained the knowledge over the years that he eventually applied to his beverage brewing and distilling. He always took great care in personally selecting each one of his ingredients and making sure they were of the highest quality. He also taught young Manuel how to discern between good and bad for each type of vegetable they worked with. He swore that this was the difference between his homemade concoctions and the mass-produced versions.

"I will never forget it," says Manuel of the time he spent brewing and distilling with his grandfather. "My earliest and clearest memories are from some of those moments in the fields picking grains and blue agave. He taught me everything I know."

The lessons Manuel took from his grandfather have always stayed with him and are prevalent within the company today. It was the joy that Manuel saw brought to all of their relatives and neighbors from drinking his grandfather's beer and tequila that motivated Manuel to start this business and be able to bring that joy to more people. However, it was always important to him that his business stay rooted in the lessons he learned from Juan.

This is why today, 48 years after the company's inception, it is still dedicated to locally sourcing ingredients, which are hand-picked by specialists who were all trained by Manuel himself. Among those employees he trained as his apprentices was his son, Emilio, who became the CEO of the company in 2005 when Manuel, at the age of 65, decided to take a step back from the day-to-day operations. Manuel could not be more proud of the way that Emilio is carrying on the business with the same values and principles on which it was founded.

"I'm so proud and honored to have the privilege to carry on my father's legacy," Emilio says of his role. "My dad began teaching me the business at a very young age, just as his *abuelo* taught him, and the passion came naturally. I guess it runs in the family," he said. "I think of my dad a lot when I'm making big decisions, and always trying to follow in his footsteps and, of course, preserve my great-grandfather's values."

Another of Manuel's apprentices - his first, in fact - was Arturo Arroyo, who is now the Master Distiller for the company's newest brand, Azul. Arturo began as an apprentice and discovered such a strong passion for the craft that he decided to go to school in America to add to his experiential knowledge with formal education - something no one else in the company had. This allowed Arturo to recommend many best practices and help streamline systems to reduce cost where possible without diminishing quality.

"The company did pretty well from the start, so I was really lucky there," Manuel explains. "But the innovation Arturo introduced, which we incorporated alongside the traditional components of our values," he insists, "is what really allowed us to compete and be on par with other national and eventually international companies." He also adds, "Zapata Distilling Company would absolutely not be the enterprise it is today without his dedicated service."

Today, Zapata is Mexico's leading producer of alcoholic beverages. Its portfolio began with beer and quickly expanded to include tequila, a traditional Mexican spirit, which it named Verde. Its beer family now consists of three brands: Naranja, Amarillo and Marrón. The company's beer and tequila lines gained popularity in Mexico, the United States, across many European countries and in parts of Asia. After finding abundant success in producing beer and

tequila, Emilio Zapata decided that the company was ready to take on a new challenge - distilling vodka. This was a particular challenge, not just because it was a new venture for the company, but because premium vodka had never been produced in Mexico.

Emilio looked to Arturo to lead the development of the distilling process while he focused on sourcing the high quality ingredients his recipe for success depended on. He worked with local farmers in Monterrey to ensure he would be selecting his potatoes from the finest crops. His team also worked with their existing supply chain to source the other ingredients and ensure they could take advantage of the company's existing dealer network.

"It was easy to take the values, standards and systems we had already established for Zapata's other products and transition that to distilling vodka," says Arturo. "It's just been really rewarding to see how well the product was received here in Mexico - first in our little Monterrey community, who are all like family to us now, and then across the country."

Thus, Azul was born, earning the title of the first premium vodka produced in Mexico. It was introduced to the Mexican market in 2017 and quickly claimed the spot of the top-selling vodka in the nation. As always, it is made with the highest-quality ingredients and easily rivals other popular premium vodka brands. To further support its community as well as add a new, modern edge to the product for additional appeal, Zapata partnered with leading Mexican graphic designer Pablo who designed Azul's unique blue bottle.

## Zapata Distilling Company Fact Sheet

- Leading producer of alcoholic beverages in Mexico
- Family-owned company
- Founded by Manuel Zapata in 1972
- Focused on locally sourcing the highest-quality ingredients for all products
- Products
  - Beer
    - Naranja
    - Amarillo
    - Marrón
  - Tequila
    - Verde
  - Vodka
    - Azul
    - First premium Mexico-produced vodka
- Locations
  - 1 facility in Monterrey, MX
    - Offices
    - Brewery
    - Distillery
- Employees
  - 400 employees
- Sales
  - \$150 million in liquor annually
  - \$325 million in beer annually
  - \$475 million total annual sales

## Zapata Management Team

**Emilio Zapata, Chief Executive Officer**



Emilio Zapata, son of the Zapata Distillery Company founder Manuel Zapata, joined the family business at just fourteen years old. He started out working as a janitor, cleaning the floors, counters and machines, and gradually worked his way up through the company over the years. After learning about the business from a very young age, he found the same passion for making craft beverages as his father and his great-grandfather.

**Maria Estevez, Vice President – Marketing**



Maria Estevez joined the Zapata Distilling Company as the Vice President of Marketing in 2008. She previously worked as the Vice President of Marketing at Coca-Cola FEMSA for six years. Prior to that she served as the Director of Marketing and Communications for nine years at América Móvil, a telecomm corporation. She received her Bachelor's degree in marketing from Harvard University and her MBA from Stanford University.

**Agustin Garza, Chief Financial Officer**



Agustin Garza is currently the Chief Financial Officer of the Zapata Distilling Company and has worked with the company for over twenty years. He began as a part-time accountant when the business was a much smaller operation. Previously he had worked as an accountant for Corona. He studied accounting and finance at the University of Monterrey.

**Gonzalo Nunez, Vice President – Operations**



Gonzalo Nunez is the Vice President of Operations for the Zapata Distilling Company, a position he has held for over two years. He started with the company in 2010 as the Head of Operations. His previous experience includes ten years working as the operations manager for the multi-national baking company Grupo Bimbo.