

GRUPO BIMBO

REPORTS FIRST QUARTER 2020 RESULTS

MEXICO CITY, APRIL 27, 2020



“We are unwavering in our determination to successfully navigate the challenge of these complex times, and we have the resilience and agility to do so, our experienced leadership in every country and our production capabilities enable us to serve consumers during this time of disruption and extraordinary demand.”

-Daniel Servitje, Chairman and CEO

“We have recently made financial decisions primarily focused on cash generation and preservation, making sure that we have more flexibility in this uncertain environment and keeping a strong balance sheet, as well as solid cash flow generation.”

-Diego Gaxiola, CFO

Grupo Bimbo S.A.B. de C.V. ("Grupo Bimbo" or "the Company") (BMV: BIMBO) today reported its results for the three months ended March 31, 2020.¹

HIGHLIGHTS OF THE QUARTER

First quarter net sales rose 7.0% mainly due to strong volume growth in every region notably North America and Mexico

Net majority income declined and the margin contracted 190 basis points due to a non-cash charge related to the MEPPs liability adjustment

Adjusted EBITDA² grew 11.4%, with a margin expansion of 50 basis points

Free cash flow for the period totaled Ps. \$2.7 billion

RECENT EVENTS

- For the fourth consecutive year, Grupo Bimbo was recognized as one of the "World's Most Ethical Companies"
- Grupo Bimbo received, for the sixth consecutive year, the first place in the ranking for the most responsible companies and with the best corporate governance in Mexico

FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	1Q20	1Q19	Change
Net Sales	74,404	69,523	7.0%
Gross Profit	39,842	36,679	8.6%
Adjusted EBITDA ²	8,899	7,989	11.4%
Net Majority Income	20	1,321	(98.5%)
Total Debt/Adj. EBITDA ³	2.8x	2.6x	0.2x
ROE ⁴	8.2%	7.2%	1.0pp

COVID-19 INITIATIVES

We have established committees to closely monitor the safety of our associates and the performance, needs and strategies to supply our customers. We have also implemented specific measures in line with the recommendations of local authorities to protect against COVID-19. Some of the initiatives we have implemented are the following:

- The safety of our associates comes first, that's why we have redoubled the efforts to practice social distancing. For those teams, whose role allows it, and depending on local circumstances, different formats of labor flexibility have been implemented, such as remote work, guards or special shifts. We provided additional hygiene steps daily and the right equipment and required temperature checkups at our facilities to ensure the safety of our frontline associates.
- We also increased our financial liquidity by drawing US\$720 million from our committed revolving credit facility to refinance the 2020 bond and to increase liquidity, prioritizing flexibility and financial strength.

1. Figures included in this document are prepared in accordance with International Financial Reporting Standards (IFRS).

2. Earnings before interests, taxes, depreciation, amortization, Multiemployer Pension Plans ("MEPPs") and rent.

3. Does not consider the effect of IFRS16.

4. Adjusted with the MEPPs non-cash charge.

COVID-19 INITIATIVES

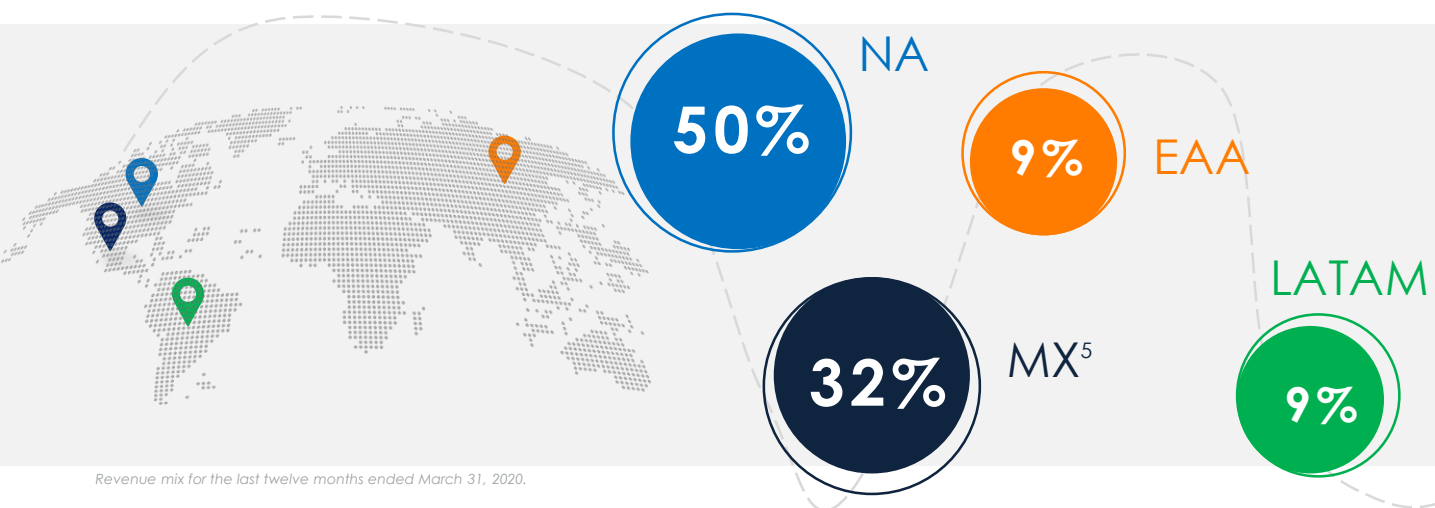
- We are prioritizing high volume SKUs to optimize production capacity; we reopened our Hazelton Bakery in the U.S. given the high demand in the country.
- We reaffirm our commitment to the world in the midst of the outbreak by donating approximately Ps. \$200 million globally through product donations to food banks and foundations, economic resources for the construction of a temporary hospital unit in Mexico, box lunches for medical personnel from public hospitals and face masks to small merchants in Mexico to take care of their health and their customers', among others.

NET SALES

(MILLIONS OF MEXICAN PESOS)

Net Sales	1Q20	1Q19	% Change
North America	36,052	32,830	9.8
Mexico	27,216	25,619	6.2
Latin America	6,931	6,680	3.8
EAA	6,587	6,468	1.8
Grupo Bimbo	74,404	69,523	7.0

Consolidated results exclude inter-company transactions.



First quarter net sales rose 7.0% mainly due to strong volume growth in every region notably North America and Mexico and, to a lesser extent, FX rate benefit.

NORTH AMERICA⁶

Net sales increased 9.8% benefited by healthy volume growth and by FX rate; dollar sales increased by nearly 6%. The bread, buns, snacks and sweet baked goods categories and the modern channel outperformed across the region. This was partially offset by weak volumes across the QSR and foodservice businesses due to the COVID-19 outbreak.



⁵ Inter-company transactions have been removed from Mexico.

⁶ North America region includes operations in the United States and Canada.

Net sales in Mexico rose 6.2%, driven by good performance in most categories primarily bread, sweet baked goods, tortillas and cookies, as well as most channels, particularly the modern channel. These results were partially offset by pressure in the foodservice channel such as schools, which were temporarily closed due to the COVID-19 pandemic.

MEXICO



LATIN AMERICA⁷

First quarter net sales grew 3.8% in Latin America mainly due to strong performance in the *Latin Centro* division and countries such as Brazil, Peru and Paraguay. The bread category throughout the region and the cookies category in the *Latin Centro* division, as well as FX rate benefit contributed to growth.



Sales in EAA for the first quarter rose 1.8%, mainly driven by growth in the bread category in all geographies, which was helped by the consumption habits coming from the COVID-19 virus, as well as good performance of the sweet baked goods category in Iberia. This was partially offset by pressure on the QSR business due to the coronavirus, as well as by FX rate impact.

EAA⁸



GROSS PROFIT (MILLIONS OF MEXICAN PESOS)

	Gross Profit			Gross Margin (%)		
	1Q20	1Q19	% Change	1Q20	1Q19	Chg. pp.
North America	19,662	17,623	11.6	54.5	53.7	0.8
Mexico	15,122	14,268	6.0	55.6	55.7	(0.1)
Latin America	3,167	2,991	5.9	45.7	44.8	0.9
EAA	2,442	2,384	2.4	37.1	36.9	0.2
Grupo Bimbo	39,842	36,679	8.6	53.5	52.8	0.7

Consolidated results exclude inter-company transactions.

Consolidated gross profit increased 8.6% with a margin expansion of 70 basis points to 53.5%, mainly attributable to strong sales performance and lower raw material costs.

7. Latin America region includes operations in Central and South America.
8. EAA region includes operations in Europe, Asia and Africa.

OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

	Operating Income			Operating Margin (%)		
	1Q20	1Q19	% Change	1Q20	1Q19	Chg. pp.
North America	(1,167)	1,661	NA	(3.2)	5.1	(8.3)
Mexico	3,682	3,492	5.5	13.5	13.6	(0.1)
Latin America	(77)	(260)	(70.5)	(1.1)	(3.9)	2.8
EAA	(16)	(37)	(57.4)	(0.2)	(0.6)	0.4
Grupo Bimbo	2,027	4,624	(56.2)	2.7	6.7	(4.0)

Regional results do not reflect inter-company royalties and consolidated results exclude inter-company transactions.

Operating income declined 56.2%, with a 400 basis point contraction in the margin due to a US\$154 million non-cash charge related to the adjustment of the MEPPs liability to reflect current interest rates levels.

Adjusted operating income, which excludes the MEPPs non-cash charge, grew 10.9% to Ps. \$5,127 million, while the margin expanded 20 basis points, reflecting strong sales performance and lower general, restructuring and integration expenses, this was partially offset by higher administration expenses.

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

	Adj. EBITDA			Adj. EBITDA Margin (%)		
	1Q20	1Q19	% Change	1Q20	1Q19	Chg. pp.
North America	3,725	3,409	9.3	10.3	10.4	(0.1)
Mexico	4,616	4,293	7.5	17.0	16.8	0.2
Latin America	309	175	76.2	4.5	2.6	1.9
EAA	406	344	18.1	6.2	5.3	0.9
Grupo Bimbo	8,899	7,989	11.4	12.0	11.5	0.5

Regional results do not reflect inter-company royalties and consolidated results exclude inter-company transactions.

Adjusted EBITDA, which includes the effect of IFRS16 for both periods, increased 11.4%, while the margin expanded 50 basis points due to strong operating performance in every region.

NORTH AMERICA

The slight margin contraction was mainly due to higher administration expenses and the challenges faced by the foodservice customers, which was partially offset by productivity initiatives across the supply chain and by lower restructuring expenses.

MEXICO

In Mexico, the margin expanded 20 basis points, attributable to healthy sales performance, lower raw material costs and lower distribution expenses.

LATIN AMERICA

Latin America adjusted EBITDA margin expanded 190 basis mainly on the back of good sales performance and productivity initiatives across the distribution network.

EAA

EAA posted a 90 basis points expansion in the margin mostly because of good sales performance, lower raw material costs and distribution expenses, which was partially offset by restructuring investments, which were in part related to a plant closure in Spain.

COMPREHENSIVE FINANCIAL RESULT

(MILLIONS OF MEXICAN PESOS)

Comprehensive financial result totaled Ps. \$1,737 million in the period, compared to Ps. \$2,040 million in the last year, the decrease mainly reflected an FX rate benefit coming from the hedging strategy, which more than offset the higher interest expenses arising from a higher debt level and a higher exchange rate.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

	Net Majority Income			Net Majority Margin (%)		
	1Q20	1Q19	% Change	1Q20	1Q19	Chg. pp.
Grupo Bimbo	20	1,321	(98.5)	0.0	1.9	(1.9)

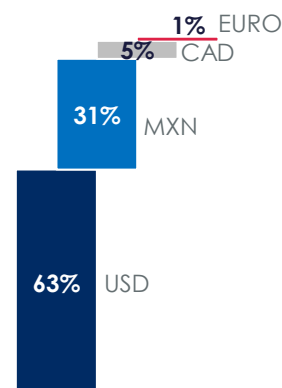
The net majority income decline, and the margin contraction reflected the abovementioned MEPPs non-cash charge. Excluding this effect, net majority income increased 42.3% to Ps. \$1,880 million and the margin expanded 60 basis points, as a result of strong operating performance and lower financing costs.

FINANCIAL STRUCTURE

Total debt at March 31, 2020 was Ps. \$120 billion, compared to Ps. \$87 billion on December 31, 2019. The Ps. \$33 billion increase was attributable to the increased leverage from the US\$720 million withdrawal from the revolving credit facility and to the depreciation of the Mexican peso.

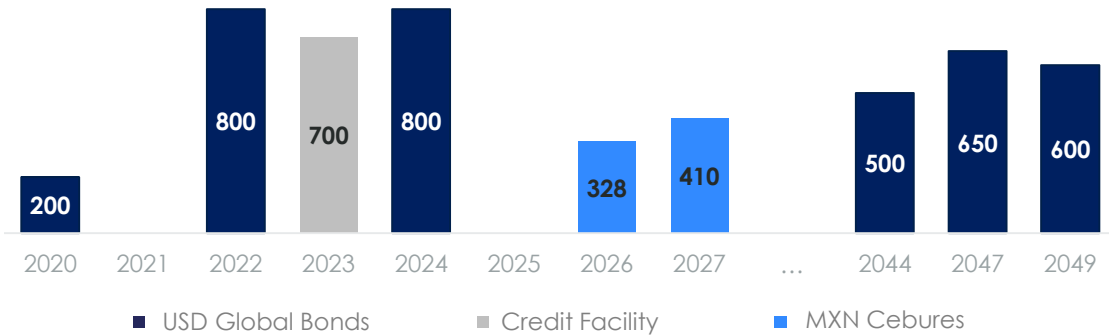
Average debt maturity was 12 years with an average cost of 5.4%. Long-term debt comprised 94% of the total; 63% of the debt was denominated in US dollars, 31% in Mexican pesos, 5% in Canadian dollars and 1% in Euros.

The net debt to adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 2.8 times compared to 2.4 times at December 31, 2019.



AMORTIZATION PROFILE⁹

(MILLIONS OF US DOLLARS)



RECENT EVENTS

- **Grupo Bimbo drew US\$720 million of its committed revolving credit facility**, which has a total value of US\$2 billion. The drawn credit line has a maturity on October 7th, 2023. The resources will be used to refinance the remaining US\$200 million of the 2020 notes maturing in June, while the remainder will be used for increasing the Company's liquidity, prioritizing flexibility and financial strength as a preventive measure due to the current environment. With this, Grupo Bimbo currently has US\$1.3 billion available in its committed credit facility for future disposals.
- **For the fourth consecutive year, Grupo Bimbo was recognized as one of the “World's Most Ethical Companies”**. The list is drafted by The Ethisphere Institute, which for more than a decade recognizes the leadership of companies maintaining high regulatory standards and have ethics as an essential value in all its operations.

Daniel Servitje, Chairman and CEO of Grupo Bimbo stated, “We feel highly honored to receive this distinction for the fourth consecutive year. Without doubt it is an important recognition to our integrity program and to the commitment of our over 134,000 associates in the 33 countries where we have operations. This year we celebrate 75 years of history and, from the very beginning, integrity has been part of our philosophy and of all the decisions we make.”

⁹. Does not include US\$ 147 mm debt at subsidiary level

- **Grupo Bimbo received, for the sixth consecutive year, the first place in the ranking of the “Most responsible companies and with the best corporate governance in Mexico”.** This ranking is designed by Merco, a leading company in the field, in addition to the evaluation of 11 different sources of information, including consumers, financial analysts, journalists, experts, NGOs, authorities and associations, among others. Attributes to be highlighted were ethics and corporate responsibility, commitment to the environment, contribution to the community, best place to work, transparency and good corporate governance.

CONFERENCE CALL INFORMATION

DIAL-IN

A conference call will be held today Monday, April 27, 2020 at 6:00pm Eastern (5:00pm Central). To access the call, please dial:

Domestic US +1 (844) 450 3853
International +1 (412) 317 6375
Domestic Mexico +52 (55) 8880 8040
Conference ID: GRUPO BIMBO

WEBCAST

A webcast for this call can also be accessed at Grupo Bimbo's website:
www.grupobimbo.com/en/investors/

REPLAY

A replay will be available until May 7, 2020. You can access the replay through Grupo Bimbo's website www.grupobimbo.com/en/investors/ or by dialing:
U.S. +1 (877) 344 7529
International +1 (412) 317 0088
Canada +1 (855) 669 9658
Conference ID: 10141446

ABOUT GRUPO BIMBO

Grupo Bimbo is the largest and leading baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 197 plants and more than 1,700 sales centers strategically located in 33 countries throughout the Americas, Europe, Asia and Africa. Its main product lines include fresh and frozen sliced bread, buns, cookies, snack cakes, English muffins, bagels, pre-packaged foods, tortillas, salted snacks and confectionery products, among others. Grupo Bimbo produces over 13,000 products and has one of the largest direct distribution networks in the world, with more than 2.9 million points of sale, around 57,000 routes and more than 134,000 associates. Its shares trade on the Mexican Stock Exchange (BMV) under the ticker symbol BIMBO, and in the over-the-counter market in the United States with a Level 1 ADR, under the ticker symbol BMBOY.



NOTE ON FORWARD-LOOKING STATEMENTS

This announcement contains certain statements regarding the expected financial and operating performance of Grupo Bimbo, S.A.B. de C.V., which are based on current financial information, operating levels, and market conditions, as well as on estimations of the Board of Directors of the Company related to possible future events. The results of the Company may differ in regards with those expressed on these statements, due to different factors that are beyond the Company's control, such as: adjustments in price levels, variations in the costs of its raw materials, changes in laws and regulations, or economic or political conditions not foreseen in the countries where the Company operates. Therefore, the Company is not responsible for such differences in the information and suggests that readers review such statements prudently. Moreover, the Company will not undertake any obligation to publicly release any revisions to the statements due to variations of such factors after the date of this press release.

INVESTOR RELATIONS CONTACT

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CONSOLIDATED BALANCE SHEET

(MILLIONS OF MEXICAN PESOS)

	March, 2020	December, 2019	Change %
TOTAL ASSETS	354,296	279,081	27.0%
CURRENT ASSETS	71,851	44,197	62.6%
Cash and Equivalents	25,443	6,251	>100%
Accounts and Notes Receivables, Net	30,206	26,198	15.3%
Inventories	10,800	9,819	10.0%
Other Current Assets	5,402	1,929	>100%
Property, Machinery and Equipment, Net	95,349	84,341	13.1%
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	140,646	118,600	18.6%
Right of Use Lease	30,379	25,550	18.9%
Other Assets	16,071	6,392	>100%
TOTAL LIABILITIES	257,877	200,770	28.4%
CURRENT LIABILITIES	65,369	54,620	19.7%
Trade Accounts Payable	26,681	24,169	10.4%
Short-term Debt	6,973	5,408	28.9%
Short-term liability for leasing	5,272	4,599	14.6%
Other Current Liabilities	26,443	20,443	29.3%
Long-term Debt	113,164	81,264	39.3%
Long-term liability for leasing	24,747	20,741	19.3%
Other Long-term Non-Financial Liabilities	54,597	44,145	23.7%
STOCKHOLDER'S EQUITY	96,419	78,311	23.1%
Minority Stockholder's Equity	5,530	4,575	20.9%
Majority Stockholder's Equity	90,889	73,737	23.3%

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF MEXICAN PESOS)

	1Q20	1Q19	Change %
Net Sales	74,404	69,523	7.0%
Cost of Goods Sold	34,562	32,844	5.2%
GROSS PROFIT	39,842	36,679	8.6%
General Expenses	33,949	31,311	8.4%
Other Expenses (Income), Net	3,866	743	>100%
OPERATING PROFIT	2,027	4,625	(56.2%)
Integral Cost of Financing	1,737	2,040	(14.9%)
Interest Paid Net	2,161	1,959	10.3%
Exchange Rate Loss (Gain)	(407)	78	>100%
Monetary Loss (Gain)	(17)	4	>100%
Equity in Results of Associated Companies	34	111	(69.2%)
INCOME BEFORE TAXES	324	2,695	(88.0%)
Income Taxes	31	1,106	(97.2%)
PROFIT BEFORE DISCONTINUED OPERATIONS	293	1,589	(81.6%)
Net Minority Income	272	267	2.0%
NET MAJORITY INCOME	20	1,321	(98.5%)
ADJUSTED EBITDA	8,899	7,989	11.4%