



FOURTH QUARTER 2021 RESULTS

Investor Relations

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Thanks to GRUMA's strong brand positioning, we have been able to increase prices in this inflationary environment, across all our divisions during the fourth quarter, which served to enhance GRUMA's strong operational performance during the year. Combining healthy demand, with price increases and a permanent cost management policy, we delivered sales growth of 17% relative to 4Q20, which was already a record setting quarter for us. If we compare our performance to pre-pandemic levels in 2019, net sales have grown by 32%, and EBITDA has grown by 29%.

This performance gives us confidence for another solid year as we head into 2022, having prepared thoroughly to maximize the opportunities we see in our operation.



HIGHLIGHTS

Consolidated Financial Highlights	YoY		
	4Q21	4Q20	VAR (%)
Income Statement (MXN millions)			
Volume (thousand tons)	1,081	1,077	0
Net Sales	25,718	21,940	17
Operating Income	3,124	2,636	19
Operating Margin (%)	12.1%	12.0%	10 bp
Ebitda ¹	4,105	3,912	5
Ebitda Margin (%)	16.0%	17.8%	(180) bp
Majority Net Income	1,814	1,411	29

¹ EBITDA = operating income + depreciation, amortization and impairment of long lived assets
+(-) other expenses (income) unrelated to core business operations.



CONSOLIDATED RESULTS OF OPERATIONS

4Q21 versus 4Q20

Sales volume remained flat at 1,081 thousand metric tons compared to 4Q20.

Net sales increased 17% to Ps.25,718 million due to (1) the benefit of the implementation of price increases during 3Q21 and 4Q21; (2) higher sales volume in the U.S., European, Asian and Oceanian divisions; and (3) by the weakening of the Mexican Peso (“MXN” or “peso”) versus the U.S. dollar (“USD” or “dollar”) on figures for foreign operations when measured in peso terms. Sales from non-Mexican operations represented 74% of consolidated figures.

Cost of sales (“COGS”) increased 19% to Ps.16,533 million due to higher overall inflation on raw materials in all divisions, as well as higher labor costs mainly in the U.S. As a percentage of net sales, it increased to 64.3% from 63.4% mainly due to the cost dynamics mentioned above.

Selling, general and administrative expenses (“SG&A”) increased 18% to Ps.5,988 million due to higher distribution costs impacting the U.S. and European divisions. As a percentage of net sales, SG&A increased 20 basis points to 23.3%.

Other expense, net, was Ps.74 million compared to Ps.336 million last year. The Ps.262 million change resulted mostly from an extraordinary expense in 4Q20 related to impairments on long lived assets.

Operating income grew by 19% to Ps.3,124 million. Operating margin increased 10 basis points to 12.1% from 12.0%. Please keep in mind that there was an extraordinary expense in 4Q20 in the “Other expense, net” line mentioned above. Excluding its effect from our financials, operating income would have increased by 11% and operating margin would have decreased 70 basis points. Note, that operating margin may be misrepresented by the arithmetic effect from passing higher costs through to product prices.

EBITDA increased 5% to Ps.4,105 million, and EBITDA margin decreased 180 basis points to 16.0%. Also, note the arithmetic effect of price increases on margins mentioned above; EBITDA per ton, which is a better metric of profitability that excludes this arithmetic effect, grew in line with EBITDA by 5%.

Net comprehensive financing cost increased by 25% to Ps.482 million, due to the effect of FX adjustments on GRUMA’s balance sheet in line with the weakening of the peso.

Income taxes were Ps.828 million, similar to last year. The effective tax rate for the quarter was 31% compared to 37% in 4Q20.

Majority net income increased 29% to Ps.1,814 million driven mainly by the aforementioned revenue dynamics.

*With a view of what lies ahead, we are prepared to take advantage of all the opportunities we see in 2022 after meaningful improvements in profitability, driven by increased prices across all our product lines, achieving **EBITDA per ton growth of 26% since 2019.***

FINANCIAL POSITION

December 2021 versus September 2021

Balance Sheet Highlights

Total assets grew by 3% when compared to September 2021 to Ps.79,335 million, resulting mainly from the effect of higher inventories in line with higher cost of raw materials in addition to a greater balance in property, plant and equipment.

Total liabilities increased 4% to Ps.49,772 million as a result of an increase in short term liabilities related to corn purchases.

Majority shareholders' equity increased 2% to Ps.29,585 million.

Debt Profile

GRUMA's debt increased 3% to Ps.31 billion in connection with the weakening of the peso versus the dollar, when compared to September 2021. In dollar terms, debt stood at US\$1.5 billion, US\$33 million more than in September 2021. Approximately 71% of GRUMA's debt was USD denominated.

Debt (USD millions)

Dec'21	Dec'20	Var vs Dec'20		Sep'21	Var vs Sep'21	
		(\$)	(%)		(\$)	(%)
1,511	1,486	25	2	1,478	33	2

Debt Maturity Profile ⁽¹⁾ (USD millions)

	Rate	2022	2023	2024	2025	2026	2027	2028	TOTAL
Senior Notes 2024	Fixed 4.875%			400					400
Scotiabank Club Loan 2021	Libor + 1.00%					200			200
Scotiabank Term Loan 2019	Fixed 2.79%				250				250
Cebures Gruma18 (MXN \$3,000)	Fixed 8.52%		145.7						145.7
Cebures Gruma21 (MXN \$2,000)	Fixed 7.00%						97.2		97.2
Other:									
MXN	5.39%	36.4							36.4
EUR	2.87%	18.2	12.1	12.1	10.2	10.2		0.0	63.0
TOTAL	4.36% (avg.)	54.7	157.9	412.1	260.2	210.2	0.0	97.2	1,192.3

(1) The US\$319 million related to leases are not included on the above debt figures.

CAPITAL EXPENDITURE PROGRAM

GRUMA invested US\$70 million in 4Q21, allocating it mostly to the following projects during the quarter: (1) construction and capacity expansions at the new tortilla plants in Indiana and Spain; (2) production lines in existing facilities in the U.K. and U.S. (3) a new tortilla line and transportation equipment at the tortilla plant in Monterrey, Mexico; and (4) general upgrades and maintenance across the company, particularly at Gimsa. GRUMA invested US\$286 million for the full year 2021.

SUBSIDIARY RESULTS OF OPERATIONS

4Q21 versus 4Q20

Gruma USA

Selected Income Statement Items (MXN millions)	YoY					
	4Q21	%	4Q20	%	VAR (\$)	VAR (%)
GRUMA USA ¹						
Sales Volume ²	388		376		12	3
Corn flour, tortillas, and other						
Net Sales	14,211		12,346		1,865	15
Operating Income	2,209	15.5	1,789	14.5	419	23
EBITDA	2,818	19.8	2,396	19.4	422	18

¹ Convenience translation at the exchange rate of Ps. 20.5835/dollar as of December 31, 2021. For further details see "Accounting Procedures".

² All sales volume figures are expressed in thousand metric tons.



Sales volume increased 3% to 388 thousand metric tons driven by a 5.6% growth in **corn flour** reflecting demand from industrial and retail clients as the economy continued to reopen and some clients prepared for the high sales' season during winter. **Tortilla** sales volume grew by 1.2% as the recovery of the food service channel continues to evolve to pre-pandemic levels, in addition to a strong client base in the retail channel, that served as a strong support in our operations, on the back of a high demand for GRUMA's "Better for You" product line.

Net sales increased 15% to Ps.14,211 million reflecting higher prices coupled with higher sales volume at both the tortilla and corn business units.

Cost of sales grew 15% to Ps.8,258 million due mainly to (1) greater volume sold; (2) higher raw material costs; (3) higher labor costs to cover for overtime in the face of labor shortages during the quarter, in addition to higher wages to attract and keep talent; and (4) higher proportion of value-added products. Cost of sales as a percentage of net sales decreased to 58.1% from 58.4%, as a result of stronger sales relative to 4Q20.

SG&A increased 12% to Ps.3,739 million due to higher sales expenses in connection to (1) greater volume sold; (2) greater commissions in line with higher prices; and (3) more expensive freight and overall logistics costs during the quarter. As a percentage of net sales, it improved from 27.1% to 26.3%.

Operating income increased 23% to Ps.2,209 million, and operating margin increased 100 basis points to 15.5% from 14.5%.

EBITDA grew 18% to Ps.2,818 million, and EBITDA margin increased 40 basis points to 19.8% from 19.4%.

EBITDA growth of 18% resulted in increased profitability evidenced by EBITDA per ton growth of 14% relative to last year and 23% since 4Q19. Along with our recent price increases, GRUMA plans to continue its efforts to further expand its “Better for You” product line in 2022.

GIMSA

Selected Income Statement Items (MXN millions)		YoY					
		4Q21	%	4Q20	%	VAR (\$)	VAR (%)
GIMSA	Sales Volume ¹	530		553		(24)	(4)
Corn flour and other	Net Sales	6,913		6,063		850	14
	Operating Income	677	9.8	522	8.6	155	30
	EBITDA	973	14.1	821	13.5	152	19

¹ All sales volume figures are expressed in thousand metric tons.



Sales volume decreased 4% to 530 thousand metric tons due to two factors: (1) a higher comparison base in 4Q20; and (2) a selectivity process of corporate clients as part of the effort to drive a more profitable product mix.

Net sales increased 14% to Ps.6,913 million reflecting paced price increases implemented over the year.



Cost of sales rose 23% to Ps.5,271 million due to the higher cost of corn. As a percentage of net sales, it increased to 76.3% from 70.9% in connection with the above-mentioned dynamics.

SG&A declined 15% to Ps.911 million resulting from releases of previously provisioned expenses. As a percentage of net sales, SG&A decreased to 13.2% from 17.6%.

Other expense, net, was Ps.54 million, Ps.120 million less than in 4Q20, resulting mostly from volatility of commodity prices in 4Q20.

Operating income increased 30% to Ps.677 million, and operating margin was 120 basis points higher at 9.8%. Please note that the margin may be misrepresented by the arithmetic effect from passing higher costs through to product prices.

EBITDA was 19% higher at Ps.973 million. EBITDA margin increased 60 basis points to 14.1% from 13.5% even with the arithmetic effect on margins created by price increases mentioned above.

Profitability in this division improved 24% in terms of EBITDA / ton relative to 4Q20.

GRUMA will remain focused on maintaining healthy EBITDA / ton levels as it continues to expand its brand in the Mexican market.

Gruma Europe

Selected Income Statement Items (MXN millions)	YoY					
	4Q21	%	4Q20	%	VAR (\$)	VAR (%)
GRUMA EUROPE¹						
Sales Volume ²	108		92		16	17
Corn flour, tortillas, and other						
Net Sales	1,842		1,398		444	32
Operating Income	70	3.8	206	14.7	(136)	(66)
EBITDA	140	7.6	271	19.4	(131)	(48)

¹ Convenience translation at the exchange rate of Ps. 20.5835/dollar as of December 31, 2021. For further details see "Accounting Procedures".

² All sales volume figures are expressed in thousand metric tons.



Sales volume increased 17% to 108 thousand metric tons. The **tortilla** business saw sales volume rise 26% as GRUMA continues its successful market penetration campaign in the retail channel, along with a positive performance in the food service channel, which has reached pre-pandemic levels. In the **corn milling** business, volumes also grew by 13% due to (1) higher sales of byproducts, whose demand accelerated during the last quarter of the year; and (2) stronger demand for corn from Southern Europe.

Net sales increased 32% to Ps.1,842 million resulting from volume growth in both tortilla and corn flower, as well as from the gradual implementation of higher prices during the quarter.

Cost of sales increased 32% to Ps.1,453 million resulting from (1) higher volumes sold during the quarter; in addition to (2) overall higher raw material costs. As a percentage of net sales, cost of sales remained flat at 78.9% driven by the dynamics mentioned above.

SG&A increased 12% to Ps.321 million mainly due to (1) greater volume sold (2) higher inflationary pressures on logistic and raw material costs; and (3) higher commissions paid given higher prices. As a percentage of net sales, SG&A decreased to 17.4% from 20.4%.

Other income, net, was Ps.2 million, a Ps.195 million decline, in connection with extraordinary insurance claim recoveries that supported other income in 4Q20.

Operating income decreased to Ps.70 million from Ps.206 million, and operating margin decreased to 3.8% from 14.7% in 4Q20. This drop was on the back of the extraordinary items included in the other income line in 4Q20 mentioned above. Normalizing financials, operating income would have grown by 371% and operating income margin would have increased by 270 basis points.

EBITDA fell Ps.131 million to Ps. 140 million from Ps.271 million, and EBITDA margin decreased 1,180 basis points to 7.6% from 19.4%, given the extraordinary items included in the other income line in 4Q20. Excluding these extraordinary gains in 4Q20, EBITDA would have risen by 76% and EBITDA margin would have grown by 190 basis points.

The successful marketing campaigns during 2021 and the recovery towards pre-pandemic levels in the tortilla food service channel, have boosted GRUMA's tortilla growth by double digits. GRUMA will continue to focus on retail tortilla to keep its outstanding momentum in 2022 and beyond.

Gruma Asia and Oceania

Selected Income Statement Items (MXN millions)	YoY					
	4Q21	%	4Q20	%	VAR (\$)	VAR (%)
GRUMA ASIA & OCEANIA¹						
Sales Volume ²	25		23		2	9
Corn flour, tortillas, and other						
Net Sales	1,293		1,160		134	12
Operating Income	127	9.8	142	12.3	(15)	(11)
EBITDA	187	14.5	192	16.6	(5)	(3)

¹ Convenience translation at the exchange rate of Ps. 20.5835/dollar as of December 31, 2021. For further details see "Accounting Procedures".

² All sales volume figures are expressed in thousand metric tons.



Sales volume increased 9% to 25 thousand metric tons.

Net sales grew by 12% to Ps.1,293 million supported by sales volumes in Malaysia at both the retail and food service channels, coupled with growth in Australia's food service channel. Growth in net sales was also partially supported, by the weakness of the peso versus the dollar.

Cost of Sales increased 14% to Ps.891 million mainly due to (1) higher sales volume as mentioned above; and (2) more expensive raw materials and packaging costs. As a percentage of net sales, it increased to 68.9% from 67.3% in 4Q20.

SG&A increased 16% to Ps.275 million, as a result of higher logistics and distribution costs in connection to greater volumes sold.

Operating Income decreased by 11% to Ps.127 million, while operating margin stood at 9.8% compared to 12.3% in 4Q20.

EBITDA remained flat at Ps.187 million and EBITDA margin decreased 210 basis points to 14.5% from 16.6% in 4Q20.

The Asia and Oceania division has shown remarkable results and is now performing at healthy profitability levels. We will focus our efforts on continuing to expand across Asia, and notably on volume growth in China in 2022, while continuing to meet strong demand in Australia.

Gruma Centroamérica

Selected Income Statement Items (MXN millions)		YoY					
		4Q21	%	4Q20	%	VAR (\$)	VAR (%)
GRUMA CENTROAMÉRICA	Sales Volume ¹	62		64		(2)	(3)
Corn flour and other	Net Sales	1,545		1,408		137	10
	Operating Income	99	6.4	122	8.7	(23)	(19)
	EBITDA	135	8.7	162	11.5	(26)	(16)

¹ All sales volume figures are expressed in thousand metric tons.



Sales volume decreased 3% to 62 thousand metric tons as a result of a higher comparison base in 4Q20, when GRUMA benefited from volumes sold as part of UN Programs amid the pandemic.

Net sales increased 10% to Ps.1,545 million as a result of (1) the effect of the strengthening of the dollar versus the peso; and partially due to (2) the implementation of higher prices across the various regions that this division currently serves at the end of 4Q21.

Cost of sales increased 16% to Ps.1,098 million due to (1) the increase in the cost of corn in the global markets, as well as the cost of other raw materials; and (2) higher costs of utilities and fuel. As a percentage of net sales, cost of sales increased to 71.0% from 67.4% as implemented price increases had not been reflected on the operation as of 4Q21.

SG&A increased 2% to Ps.345 million due to the weakening of the peso versus the dollar. Excluding the FX effects, SG&A remained flat as a result of expense efficiencies in 4Q21 aimed at keeping the cost structure stable in the face of inflationary pressures on raw materials and utilities. As a percentage of net sales, it improved to 22.3% from 24.1%.

Operating income decreased to Ps.99 million and operating margin fell 230 basis points to 6.4% from 8.7% as a result of the changes in costs mentioned above, which are expected to be offset by the new prices implemented in this division.

EBITDA decreased Ps.26 million to Ps.135 million and EBITDA margin fell 280 basis points to 8.7% from 11.5%.

Echoing other divisions, price increases were implemented relieving cost pressures experienced in 2021. GRUMA is confident that with these price increases, this division will thrive in 2022 optimizing profitability going forward.

Other Subsidiaries and Eliminations

Operating Loss increased Ps.4 million to Ps.78 million from Ps.74 million in 4Q20.