



# GRUPO BIMBO

## REPORTS FIRST QUARTER 2022 RESULTS

Mexico City, April 26, 2022



*“We had a very strong start to the year. Topline performance was exceptional, as we reached a record level of sales for a first quarter and gained market share in several categories. Our volumes grew across all our organizations as a reflection of the high demand we are experiencing and that our brands are resonating with our consumers.”*

**– Daniel Servitje, Chairman and CEO**

*“Our results for the quarter were outstanding, especially when we consider the tough comparison from the remarkable results in the first quarter of 2021 we are cycling, overall inflation, and the complicated operating environment in several countries. We will continue working tirelessly on pulling the right levers to offset most of these effects.”*

**– Diego Gaxiola, CFO**



Grupo Bimbo S.A.B. de C.V. (“Grupo Bimbo” or “the Company”) (BMV: BIMBO) reports its results for the three months ended March 31, 2022.<sup>1</sup>

## HIGHLIGHTS OF THE QUARTER

- Net Sales reached a record level for a first quarter at Ps. 93,321 million, an increase of 17.7%, primarily due to strong volumes and price/mix performance across every region
- Adjusted EBITDA<sup>2</sup> grew 11.9%; while experiencing margin compression of 70 basis points mainly due to higher raw material costs
- Net Majority Income improved by 10.4% and the margin contracted 30 basis points
- Return on Equity<sup>3</sup> reached a record 15.8%
- Net Debt/Adjusted EBITDA<sup>4</sup> ratio closed the quarter at 1.8 times

## RECENT DEVELOPMENTS

- Grupo Bimbo signed an agreement to sell its confectionery business, “Ricolino”. This strategic decision will enable Grupo Bimbo to become a stronger global leader in grain-based foods and to focus on its baking and snacks industries
- For the sixth consecutive year, Ethisphere Institute named Grupo Bimbo as one of the World’s Most Ethical Companies in 2022
- The Brazilian organization started operating with 100% renewable electric energy; with this, 93% of global operations are using renewable energy (vs. 2019 base) and 21 countries now use clean energies

## FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	1Q22	1Q21	Change
Net Sales	93,321	79,286	17.7%
Gross Profit	48,222	42,595	13.2%
Operating Income	8,942	8,765	2.0%
Adjusted EBITDA	11,897	10,633	11.9%
Net Majority Income	4,467	4,045	10.4%
Net Debt/Adj. EBITDA	1.8x	1.8x	0.0x
ROE	15.8%	12.0%	3.8pp

- Grupo Bimbo will launch its new sustainability strategy on May 18<sup>th</sup>, 2022. Please register in advance here: [REGISTER](#)

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

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

3. Adjusted with MEPPs non-cash charges.

4. Does not consider the effect of IFRS16.

# NET SALES

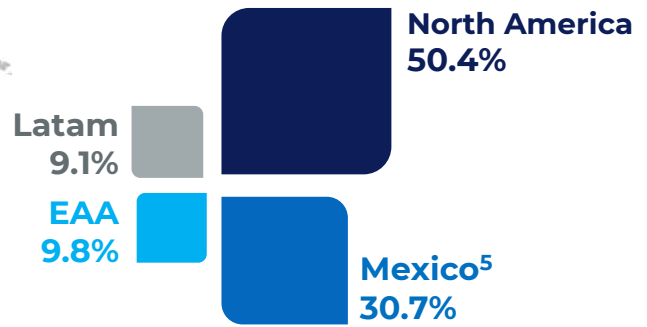
(MILLIONS OF MEXICAN PESOS)

Net Sales	1Q22	1Q21	% Δ
North America	45,578	38,963	17.0
Mexico	33,043	27,661	19.5
EAA	9,124	7,843	16.3
Latin America	8,937	7,374	21.2
<b>Grupo Bimbo</b>	<b>93,321</b>	<b>79,286</b>	<b>17.7</b>

Consolidated results exclude inter-company transactions.



Revenue mix for the last twelve months ended March 31, 2022



**Net Sales reached a record level for a first quarter at Ps. 93,321, an increase of 17.7%, primarily due to strong volumes and price/mix performance across every region.**

## NORTH AMERICA<sup>6</sup>

**Net Sales in US dollars increased 15.8%**, driven by the successful implementation of pricing strategy and volume growth in mainstream bread, buns and rolls, sweet baked goods and snacks categories. In peso terms, Net Sales increased 17.0%.



## MEXICO

**Net Sales in Mexico grew 19.5%**, attributable to strong volume growth, better product/mix and price increases. Every channel posted double-digit growth, as did most categories, most notably salty snacks, snack cakes, sweet baked goods, bread, cookies and confectionery.



<sup>5</sup> Inter-company transactions have been removed from Mexico.  
<sup>6</sup> North America region includes operations in the United States and Canada.

## EAA<sup>7</sup>

Sales in EAA during the first quarter grew 16.3% in peso terms, excluding FX effect, Net Sales increased 21.1%, reflecting strong volume performance mainly in Iberia and the U.K., pricing actions and inorganic contribution from the acquisitions completed in India, as well as a strong sales performance of the QSR channel throughout the region.



## LATIN AMERICA<sup>8</sup>

First quarter Net Sales increased 21.2% in peso terms; excluding the FX effect, Net Sales increased 25.1%, primarily driven by strong volumes and favorable price/mix effect across every organization, highlighting Brazil, Colombia, Chile, and the rest of the *Latin Sur* division. Sales growth was also benefited by the inorganic contribution from the acquisition of Aryzta do Brazil.



## GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

	Gross Profit			Gross Margin (%)		
	1Q22	1Q21	% Δ	1Q22	1Q21	Δ pp.
North America	24,533	21,818	12.4	53.8	56.0	(2.2)
Mexico	17,430	15,051	15.8	52.8	54.4	(1.6)
EAA	2,837	2,796	1.5	31.1	35.7	(4.6)
Latin America	3,939	3,373	16.8	44.1	45.7	(1.6)
<b>Grupo Bimbo</b>	<b>48,222</b>	<b>42,595</b>	<b>13.2</b>	<b>51.7</b>	<b>53.7</b>	<b>(2.0)</b>

Consolidated results exclude inter-company transactions.

Gross Profit for the first quarter increased 13.2%, while the margin contracted 200 basis points basis points to 51.7%, mainly attributable to higher raw material costs across every region.

## OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

	Operating Income			Operating Margin (%)		
	1Q22	1Q21	% Δ	1Q22	1Q21	Δ pp.
North America	4,240	5,160	(17.8)	9.3	13.2	(3.9)
Mexico	4,418	3,603	22.6	13.4	13.0	0.4
EAA	(24)	49	NA	(0.3)	0.6	(0.9)
Latin America	305	15	>100	3.4	0.2	3.2
<b>Grupo Bimbo</b>	<b>8,942</b>	<b>8,765</b>	<b>2.0</b>	<b>9.6</b>	<b>11.1</b>	<b>(1.5)</b>

Regional results do not reflect intercompany royalties; Mexico segment results of 2021 have been adjusted of some intercompany royalties' income that were included before; consolidated results exclude intercompany transactions.

7. EAA region includes operations in Europe, Asia and Africa.

8. Latin America region includes operations in Central and South America.

**Operating Income for the first quarter rose 2.0%, and the margin contracted 150 basis points**, mainly due to the higher cost of sales and a higher inflationary environment globally, most notably in North America, coupled with a lower non-cash benefit of US\$73 million related to the adjustment to the MEPPs liability to reflect current interest rate levels, compared to the US\$109 million non-cash benefit registered in the first quarter of 2021. This was partially offset by the strong sales performance and efficiencies in selling and administrative expenses. **Excluding the MEPPs effect for both periods, operating income increased 13% and the margin contracted 30 basis points, to 8%.**

## ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

	Adj. EBITDA			Adj. EBITDA Margin (%)		
	1Q22	1Q21	% Δ	1Q22	1Q21	Δ pp.
North America	4,928	4,922	0.1	10.8	12.6	(1.8)
Mexico	5,483	4,631	18.4	16.6	16.7	(0.1)
EAA	500	528	(5.3)	5.5	6.7	(1.2)
Latin America	860	432	99.2	9.6	5.9	3.7
<b>Grupo Bimbo</b>	<b>11,897</b>	<b>10,633</b>	<b>11.9</b>	<b>12.7</b>	<b>13.4</b>	<b>(0.7)</b>

*Regional results do not reflect intercompany royalties; Mexico segment results of 2021 have been adjusted of some intercompany royalties' income that were included before; consolidated results exclude intercompany transactions.*

**Adjusted EBITDA, which does not include the effect of MEPPs, increased 11.9%, while the margin contracted 70 basis points, to 12.7%**, mainly due to the abovementioned higher cost of sales and inflationary environment, which was partially offset by productivity savings across the value chain.

### NORTH AMERICA

**North America region margin contraction of 180 basis points** was mainly due to a higher inflationary environment, including commodities, labor costs and shortages across the supply chain. This was partially offset by favorable branded mix and productivity benefits from past restructuring investments.

### MEXICO

**The margin contracted 10 basis points**, attributable to higher raw material costs, which was offset by the strong sales performance, favorable product and category mix, and productivity savings across the supply chain.

### EAA

**EAA posted a 120 basis points margin contraction** mostly due to a higher inflationary environment in several countries and a labor strike in Spain, which has already been resolved.

### LATIN AMERICA

**Despite challenging conditions in several countries, Latin America Adjusted EBITDA margin expanded 370 basis points reaching a record level for a first quarter at 9.6%**, mainly due to the strong sales performance across every organization, increased market penetration, productivity benefits and solid results in Brazil and Argentina.

## COMPREHENSIVE FINANCIAL RESULT

(MILLIONS OF MEXICAN PESOS)

**Comprehensive Financial Result totaled Ps. 1,753 million**, the 7.6% decline was attributable to lower interest expenses.

## NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

	Net Majority Income			Net Majority Margin (%)		
	1Q22	1Q21	% Δ	1Q22	1Q21	Δ pp.
Grupo Bimbo	4,467	4,045	10.4	4.8	5.1	(0.3)

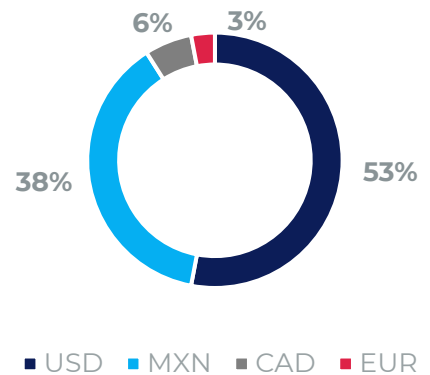
**Net Majority Income grew 10.4% while the margin contracted 30 basis points** attributable to the abovementioned higher inflationary environment and the lower positive effect from MEPPs. This was partially offset by the strong sales performance, efficiencies in selling and administrative expenses, lower financing costs and a lower effective tax rate which stood at 34% when compared to 37.7% in the first quarter of 2021.

## FINANCIAL STRUCTURE

Total Debt on March 31, 2022, was Ps. 91 billion, compared to Ps. 93 billion on December 31, 2021, the decrease was mainly explained by a favorable FX rate.

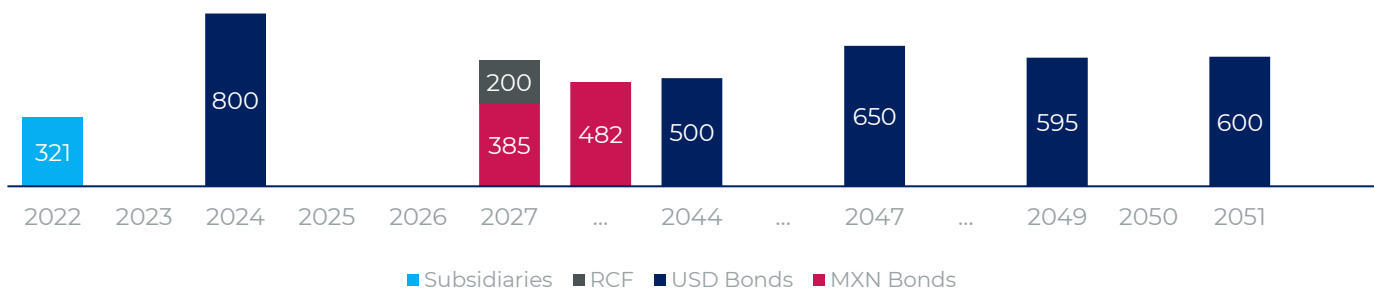
Average debt maturity was 15.3 years with an average cost of 5.6%. Long-term Debt comprised 93% of the total; 53% of the debt was denominated in US dollars, 38% in Mexican pesos, 6% in Canadian dollars and 3% in Euros.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 1.8 times, a decline of 0.1x when compared to 1.9 times on December 31, 2021.



## AMORTIZATION PROFILE<sup>9</sup>

(MILLIONS OF US DOLLARS)



<sup>9</sup> Does not include US\$ 57 million of long-term debt at subsidiary level. Includes 30-year issuance by BBU.

## RECENT DEVELOPMENTS

**Grupo Bimbo has reached an agreement to sell its confectionery business, “Ricolino<sup>10</sup>”, to Mondelēz International, Inc. (“Mondelēz”) for an enterprise value<sup>11</sup> of \$27 billion pesos (US\$1.3 billion<sup>12</sup>).** This strategic decision will enable Grupo Bimbo to become a stronger global leader in grain-based foods and to focus on its baking and snacks industries. For Mondelēz, a global snacking leader, this deal will double the size of its Mexico's business and provide an attractive entry point into the chocolate category, while expanding the company's presence in confectionery.

With \$10,147 million pesos in Net Sales (US \$500 million<sup>13</sup>) in 2021, Ricolino is a leading player in the confectionery category in Mexico. It employs close to 6,000 associates, has four manufacturing facilities and distribute its products through its sales centers to several channels, including wholesalers, mom and pops, supermarkets, convenience stores, among others. It produces, distributes and commercializes lollipops, marshmallows, chocolates and gummies among others, under the Ricolino®, Vero®, La Corona® and Coronado® brands, among others. Ricolino also exports and commercializes its products in 17 different countries, including the U.S. and Central America. Ricolino's iconic brands are a strong strategic complement to Mondelēz International's snacking portfolio.

Grupo Bimbo will use the proceeds from this transaction to pay debt, for its capital investments' plan, and other general corporate purposes.

With this decision, Ricolino's associates, who for several decades have worked with full commitment to consolidate iconic products and brands, will be able to further develop their potential within Mondelēz and the confectionery industry. Mondelēz, with 95 years of history in Mexico, is a company committed to the development of people, and shares and appreciates Ricolino's values as an organization.

*“We ventured into the confectionery industry with the establishment of Ricolino in 1970; today, after 52 years of growth and progress, it is the industry leader in Mexico. We truly recognize the Ricolino family for this amazing accomplishment and are deeply thankful for their commitment and hard work. I'm confident that Mondelēz will leverage these amazing brands and further accelerate their growth”,* said Daniel Servitje, Chairman and CEO of Grupo Bimbo.

*“I want to take the opportunity to thank all of our associates for their dedication and commitment. They have given their best and I feel very proud of them”,* said Fernando Lerdo de Tejada S., President of Ricolino.

Diego Gaxiola, CFO of Grupo Bimbo, commented: *“This transaction strengthens our financial profile, as it is accretive for Grupo Bimbo, while it enhances our long-term focus in our core categories. We reaffirm our commitment and investments in Mexico, where we will be investing around US\$750 million during the year, a record level that endorses our confidence in the country.”*

*“This acquisition will provide a step change for our business in Mexico, an important growth market for us, more than tripling our routes to market and growing our position in core snacking categories”,* said Dirk Van De Put, Chairman and CEO of Mondelēz.

<sup>10</sup>. Including its shares on Productos Ricolino S.A.P.I. de C.V., Productos de Leche Coronado S.A. de C.V., Ricolino S.A. de C.V., and its global brand portfolio.

<sup>11</sup>. Enterprise value will be adjusted upon closure for concepts such as cash, debt and other typical concepts included in this type of transactions.

<sup>12</sup>. Considers an FX rate of Ps.20.32 per US\$.

<sup>13</sup>. Considers an FX rate of Ps. 20.28 per US\$.





Oriol Bonaclocha, President of Mondelēz Mexico said: “2022 is an exciting year for us because we are celebrating our 95th anniversary. Today, we are reinforcing our commitment to Mexico’s growth and it is also an opportunity to grow with Ricolino’s iconic portfolio, strong distribution and manufacturing footprint. The Mondelēz team looks forward to welcoming talented people with strong values who know how to win and grow.”

This transaction is still subject to regulatory approvals, including the ones applicable in Mexico such as from the *Comisión Federal de Competencia Económica* (COFECE), among others and is expected to close in late Q3 or early Q4 2022.

The Company recognizes and acknowledges the support of Bank of America, Deloitte and Galicia Abogados, that acted as advisors ensuring a successful outcome for this transaction.

- **For the sixth consecutive year, Ethisphere Institute named Grupo Bimbo as one of the World’s Most Ethical Companies in 2022.** This honor is reserved for a select number of companies with exceptional programs. Ethisphere assesses companies’ regulatory behavior, social responsibility, ethical culture, corporate leadership and governance, innovation, and reputation.

*“The recognition as an ethical company represent much more than just complying with organizational policy and regulations. It is about transcending time and inspiring all our associates to act with integrity and true conviction to do and say the right thing” - Daniel Servitje, Chairman and CEO of Grupo Bimbo.*

- **The Brazilian organization started operating with 100% renewable electric energy;** with this, 93% of global operations are using renewable energy (vs. 2019 base) and 21 countries now use clean energies.

## CONFERENCE CALL INFORMATION

### DIAL-IN

A conference call will be held today Tuesday, April 26, 2022, at 6:00 pm Eastern (5:00 pm Central). To access the call, please dial:

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

### WEBCAST

A webcast for this call can also be accessed at Grupo Bimbo’s website:  
<https://www.grupobimbo.com/en/investors/events>

### REPLAY

A replay will be available until May 6, 2022. You can access the replay through Grupo Bimbo’s website  
<https://www.grupobimbo.com/en/investors/events> or by dialing:

US +1 (877) 344 7529  
International +1 (412) 317 0088  
Canada +1 (855) 669 9658  
Conference ID: 10164617





## ABOUT GRUPO BIMBO

**Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks.** Grupo Bimbo has 206 bakeries and other plants and more than 1,600 sales centers strategically located in 33 countries throughout the Americas, Europe, Asia and Africa. Its main product lines include sliced bread, buns & rolls, pastries, cakes, cookies, toast bread, English muffins, bagels, tortillas & flatbreads, salty snacks and confectionery products, among others. Grupo Bimbo produces over 10,000 products and has one of the largest direct distribution networks in the world, with more than 3.1 million points of sale, more than 56,000 routes and over 139,000 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

[www.grupobimbo.com](http://www.grupobimbo.com)

[ir@grupobimbo.com](mailto:ir@grupobimbo.com)

(5255) 5268 6830

## CONSOLIDATED BALANCE SHEET<sup>14</sup>

(MILLIONS OF MEXICAN PESOS)

	Mar, 2022	Dec, 2021	% Change
<b>TOTAL ASSETS</b>	<b>337,749</b>	<b>337,639</b>	<b>0.0%</b>
<b>CURRENT ASSETS</b>	<b>62,087</b>	<b>53,411</b>	16.2%
Cash and Equivalents	9,099	8,747	4.0%
Accounts and Notes Receivables, Net	27,297	27,170	0.5%
Inventories	13,741	13,710	0.2%
Other Current Assets	4,953	3,783	30.9%
Assets Available for Sale	6,998	-	NA
Property, Machinery and Equipment, Net	101,994	103,891	(1.8%)
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	135,237	139,483	(3.0%)
Lease Right of Use	29,817	30,754	(3.0%)
Other Assets	8,614	10,101	(14.7%)
<b>TOTAL LIABILITIES</b>	<b>232,735</b>	<b>236,034</b>	<b>(1.4%)</b>
<b>CURRENT LIABILITIES</b>	<b>78,764</b>	<b>80,761</b>	<b>(2.5%)</b>
Trade Accounts Payable	34,180	37,278	(8.3%)
Short-term Debt	6,424	10,625	(39.5%)
Short-term liability for leasing	5,792	5,793	(0%)
Other Current Liabilities	29,683	27,064	9.7%
Liabilities Related to Assets Available for Sale	2,685	-	NA
Long-term Debt	84,598	82,230	2.9%
Long-term liability for leasing	24,583	25,356	(3.0%)
Other Long-term Non-Financial Liabilities	44,790	47,687	(6.1%)
<b>SHAREHOLDERS' EQUITY</b>	<b>105,013</b>	<b>101,605</b>	<b>3.4%</b>
Minority Shareholders' Equity	4,592	4,506	1.9%
Majority Shareholders' Equity	100,421	97,099	3.4%

## CONSOLIDATED INCOME STATEMENT

(MILLIONS OF MEXICAN PESOS)

	1Q22	1Q21	% Change
Net Sales	93,321	79,286	17.7%
Cost of Goods Sold	45,099	36,691	22.9%
<b>GROSS PROFIT</b>	<b>48,222</b>	<b>42,595</b>	<b>13.2%</b>
General Expenses	40,089	35,289	13.6%
Other Expenses (Income), Net	(809)	(1,459)	(44.6%)
<b>OPERATING INCOME</b>	<b>8,942</b>	<b>8,765</b>	<b>2.0%</b>
Comprehensive Financing Cost	1,753	1,898	(7.6%)
Interest Paid, Net	2,723	1,816	49.9%
Exchange Rate Loss (Gain)	(1,001)	84	NA
Monetary Loss (Gain)	32	(2)	>100%
Equity in Results of Associated Companies	147	87	69.0%
<b>EARNINGS BEFORE TAXES</b>	<b>7,336</b>	<b>6,955</b>	<b>5.5%</b>
Income Taxes	2,494	2,619	(4.8%)
<b>NET CONSOLIDATED INCOME</b>	<b>4,842</b>	<b>4,335</b>	<b>11.7%</b>
Net Minority Income	375	290	29.3%
<b>NET MAJORITY INCOME</b>	<b>4,467</b>	<b>4,045</b>	<b>10.4%</b>
<b>ADJUSTED EBITDA</b>	<b>11,897</b>	<b>10,633</b>	<b>11.9%</b>

14. Assets Available for Sale y Liabilities Related to Assets Available for Sale reflect the effect of Ricolino's sale agreement.