



# GRUPO BIMBO

## REPORTS THIRD QUARTER 2023 RESULTS

Mexico City, October 26, 2023



*“Excluding the FX impact, our Net Sales increased more than 8% and Adjusted EBITDA margin expanded by 50 basis points, now standing at a robust 14.6%. Both key metrics have consistently improved, showcasing 10-year CAGRs of 5% and 7%, respectively, and reached record levels for a third quarter excluding FX effects, underscoring our commitment to sustainable success. Moreover, we successfully completed two strategic acquisitions and our CAPEX investments reached record breaking levels so far. These milestones are a testament to the extraordinary dedication and resilience of our global teams, who have overcome challenges and consistently delivered outstanding results.”*

**– Daniel Servitje, Chairman and CEO**

*“Our third quarter results continue to impress, especially when we consider a soft consumer environment and a complex operating environment in some markets. We were able to reach record levels of Net Sales and Adjusted EBITDA, of course excluding the “super peso” effect. We remain committed to our long-term goals and look forward to continuing our journey of growth and profitability.”*

**– 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 September 30, 2023.<sup>1</sup>

## HIGHLIGHTS OF THE QUARTER

- Net Sales reached a record level excluding FX rate impact, growing 8.2% due to favorable price/mix across regions
- Adjusted EBITDA<sup>2</sup> reached historic levels, excluding FX rate impact, increasing 9.5% and the margin expanded 50 basis points, reaching 14.6%
- Net Majority Income decreased 31.0% in peso terms due to the FX rate impact and the MEPPs<sup>3</sup> non-cash benefit registered during 3Q22 and the margin contracted 170 basis points to 4.2%
- Return on Equity<sup>4</sup> closed the quarter at 14.6%
- Net Debt/ Adjusted EBITDA<sup>5</sup> ratio closed the quarter at 2.0 times

## RECENT DEVELOPMENTS

- Grupo Bimbo now has 27 countries (including USA and Mexico), out of 34, operating under 100% renewable electricity
- Grupo Bimbo acquired Mile Hi Bakery in Colorado, U.S., that produces buns and English muffins for the QSR channel
- The Company acquired the majority stake of its QSR operations in Switzerland, and now it owns 60% of the business
- For the seventh consecutive year, Grupo Bimbo ranked first as the Company with the Best Corporate Reputation in Mexico, by Merco, and for the eight consecutive year, Daniel Servitje was named the leader with the best reputation in the country
- Grupo Bimbo held the 2023 Bimbo Global Race, and thanks to more than 300 thousand participants, including 180 thousand virtual runners, more than 2.8 million slices of bread are being donated to food banks around the world

## FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	3Q23	3Q22	Change (MXN)	Change (excl. FX) <sup>6</sup>
Net Sales	99,182	102,726	(3.5%)	8.2%
Gross Profit	51,211	52,571	(2.6%)	8.8%
Operating Income (includes MEPPs effect)	9,749	11,003	(11.4%)	(4.6%)
Adjusted EBITDA	14,467	14,501	(0.2%)	9.5%
Net Majority Income (includes MEPPs effect)	4,183	6,064	(31.0%)	(27.5%)
Net Debt/Adj. EBITDA	2.0x	2.0x	-	
ROE	14.6%	15.2%	(60bps)	

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

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

3. Multiemployer Pension Plans (“MEPPs”).

4. Adjusted with MEPPs and Ricolino’s divestiture.

5. For this ratio’s calculation Adjusted EBITDA does not consider the effect of IFRS16.

6. Excluding FX rate impact.

# NET SALES

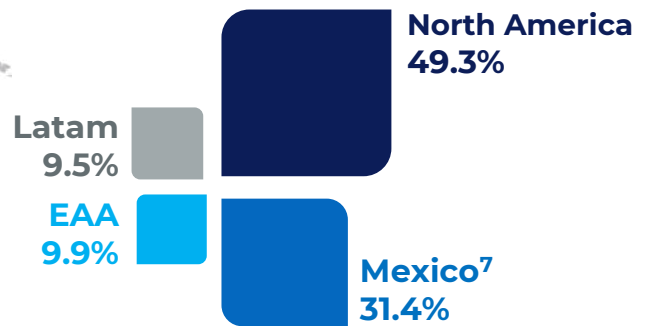
(MILLIONS OF MEXICAN PESOS)

Net Sales	3Q23	3Q22	% Δ (MXN)	% Δ (excl. FX)
North America	47,235	52,955	(10.8)	6.3
Mexico	36,375	33,562	8.4	8.4
EAA	9,915	9,545	3.9	20.9
Latin America	9,415	9,913	(5.0)	14.1
<b>Grupo Bimbo</b>	<b>99,182</b>	<b>102,726</b>	<b>(3.5)</b>	<b>8.2</b>

Consolidated results exclude inter-company transactions.



Revenue mix for the last twelve months ended September 30, 2023



**Net Sales reached a record level excluding FX rate impact, growing 8.2% due to a favorable price/mix across regions.**

## NORTH AMERICA<sup>8</sup>

**Net Sales excluding FX effect increased 6.3%** mainly reflecting the carryover from the successful implementation of price increases during 2022. This was partially offset by an unfavorable mix and volume softness across categories.



## MEXICO

**Net Sales in Mexico grew 8.4%**, mainly attributable to favorable price/product mix performance. Almost every category grew, most notably tortillas, cookies, buns, cakes and snacks, as well as the convenience and retail channels, which posted double-digit growth rates.



## EAA<sup>9</sup>

**Sales in EAA during the third quarter excluding FX effect grew 20.9%; in peso terms Net Sales increased 3.9%**, primarily due to favorable price/mix across the region, highlighting Iberia, the strong volume performance in Bimbo QSR, especially China and the inorganic contribution from Vel Pitar in Romania and St. Pierre.



7. Inter-company transactions have been removed from Mexico.  
 8. North America region includes operations in the United States and Canada.  
 9. EAA region includes operations in Europe, Asia and Africa.

## LATIN AMERICA<sup>10</sup>

**Excluding FX effect, third quarter Net Sales increased 14.1%; in peso terms Net Sales decreased 5.0%.** Every organization reported strong sales performance in local currencies, most notably Brazil and the *Latin Sur* division, all of which posted double-digit growth rates.



## GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

	Gross Profit			Gross Margin (%)		
	3Q23	3Q22	% Δ	3Q23	3Q22	Δ pp.
North America	24,535	27,636	(11.2)	51.9	52.2	(0.3)
Mexico	19,732	18,096	9.0	54.2	53.9	0.3
EAA	3,454	2,882	19.8	34.8	30.2	4.6
Latin America	4,081	4,221	(3.3)	43.3	42.6	0.7
<b>Grupo Bimbo</b>	<b>51,211</b>	<b>52,571</b>	<b>(2.6)</b>	<b>51.6</b>	<b>51.2</b>	<b>0.4</b>

Consolidated results exclude inter-company transactions.

**Gross Profit for the third quarter decreased 2.6%, while the margin expanded 40 basis points to 51.6%.** This margin expansion was mainly due to the sales performance and a favorable FX, which was partially offset by the unfavorable revenue mix in the U.S.

## OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

	Operating Income			Operating Margin (%)		
	3Q23	3Q22	% Δ	3Q23	3Q22	Δ pp.
North America	3,123	5,159	(39.5)	6.6	9.7	(3.1)
Mexico	5,948	5,158	15.3	16.4	15.4	1.0
EAA	187	128	46.0	1.9	1.3	0.6
Latin America	407	335	21.3	4.3	3.4	0.9
<b>Grupo Bimbo</b>	<b>9,749</b>	<b>11,003</b>	<b>(11.4)</b>	<b>9.8</b>	<b>10.7</b>	<b>(0.9)</b>

Regional results do not reflect intercompany royalties and consolidated results exclude intercompany transactions.  
3Q22 North America segment and Grupo Bimbo consolidated results include the Mepps non-cash benefit of US\$66 million

**Operating Income declined 11.4% and the margin contracted 90 basis points reaching 9.8%,** mainly due to the MEPPs non-cash benefit of US\$66 million, registered during the third quarter of 2022. **Excluding the MEPPs effect, Operating Income remained flat, and the margin expanded 30 basis points,** attributable to sales performance coupled with efficiencies in the distribution network.

## ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

	Adj. EBITDA				Adj. EBITDA Margin (%)		
	3Q23	3Q22	% Δ (MXN)	% Δ (excl. FX)	3Q23	3Q22	Δ pp. (MXN)
North America	5,162	6,213	(16.9)	(1.1)	10.9	11.7	(0.8)
Mexico	7,377	6,350	16.2	16.2	20.3	18.9	1.4
EAA	754	628	20.1	51.5	7.6	6.6	1.0
Latin America	988	965	2.3	20.7	10.5	9.7	0.8
<b>Grupo Bimbo</b>	<b>14,467</b>	<b>14,501</b>	<b>(0.2)</b>	<b>9.5</b>	<b>14.6</b>	<b>14.1</b>	<b>0.5</b>

Regional results do not reflect intercompany royalties and consolidated results exclude intercompany transactions.

**Adjusted EBITDA excluding FX and MEPPs effects, reached record levels for a third quarter, and the margin expanded 50 basis points to 14.6%**, mainly due to the strong topline in local currencies, lower cost of sales and productivity savings across the value chain.

**Adjusted EBITDA in peso terms, which does not include the effect of MEPPs, decreased 0.2%** explained by the negative FX translation effect.

### NORTH AMERICA

**North America margin contracted 80 basis points** mainly due to continued, but moderating, inflation and unfavorable mix performance, which was partially offset by productivity benefits across the supply chain.

### MEXICO

**The margin in Mexico expanded 140 basis points** mainly attributable to the sales performance and lower administrative expenses.

### EAA

**EAA margin closed the quarter at 7.6%, a 100 basis points expansion** as a result of the abovementioned strong sales performance and lower cost of sales, this was partially offset by higher general expenses.

### LATIN AMERICA

**Latin America Adjusted EBITDA margin expanded 80 basis points reaching a double-digit record level for a third quarter at 10.5%**, driven by the strong sales performance, favorable price/mix, productivity benefits in the distribution network and record-breaking results in Brazil.

## COMPREHENSIVE FINANCIAL COST

(MILLIONS OF MEXICAN PESOS)

**Comprehensive Financial Cost totaled Ps. 3,096 million, a 31.5% increase when compared to the third quarter of 2022**, attributable to higher interest expenses because of a higher debt position, the accounting effect of the refinancing of the USD Subordinated Perpetual Notes early in the year, as well as higher interest rates.

## NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

	Net Majority Income			Net Majority Margin (%)		
	3Q23	3Q22	% Δ	3Q23	3Q22	Δ pp.
Grupo Bimbo	4,183	6,064	(31.0)	4.2	5.9	(1.7)

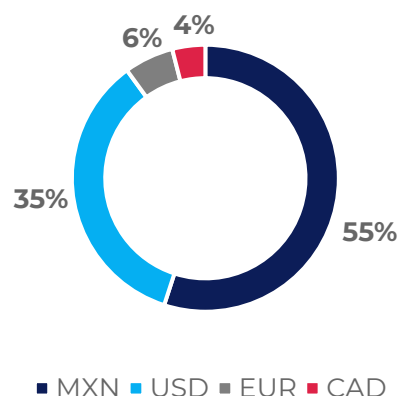
3Q22 Grupo Bimbo consolidated results include the Mepps non-cash benefit of US\$66 million.

**Net Majority Income declined 31.0% and the margin contracted 170 basis points**, mainly reflecting the MEPPs benefit registered in the third quarter of 2022 of US\$66 million. **Excluding this effect, Net Majority Income decreased 10.7% and the margin contracted 30 basis points** mainly attributable to the abovementioned financial cost increase.

## FINANCIAL STRUCTURE

Total Debt on September 30, 2023, was Ps. 107 billion, compared to Ps. 84 billion on December 31, 2022. The increase was primarily due to the payment of the outstanding USD Subordinated Perpetual Notes, which were refinanced through the issuance of sustainability-linked bonds in the Mexican market (*Certificados Bursátiles*) and other operating needs, including CAPEX.

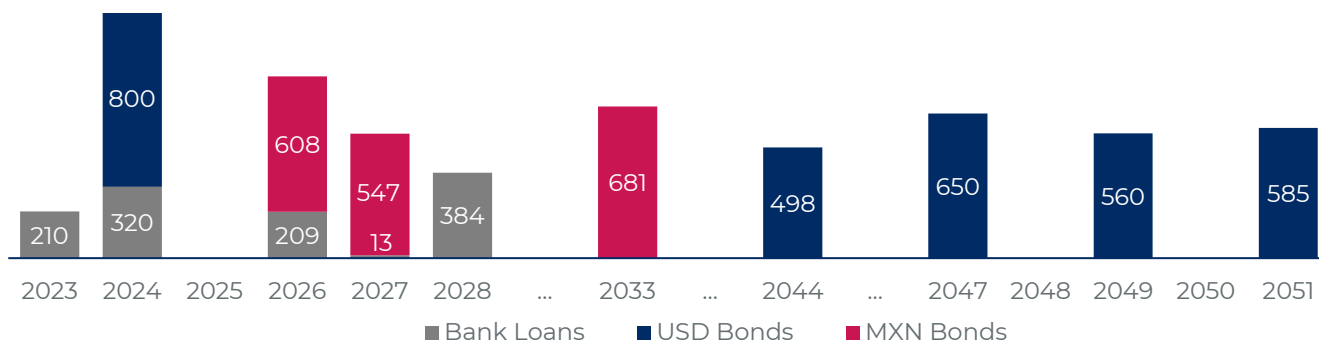
Average debt maturity was 11.9 years with an average cost of 7.2%. Long-term Debt comprised 78% of the total, the increase in short-term debt was due to the upcoming maturity of the Bimbo 2024 bonds for US\$ 800 million. 55% of the debt was denominated in Mexican pesos, 35% in US dollars, 6% in Euros and 4% in Canadian dollars.



The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 2.0 times, compared to 1.5 times on December 31, 2022.

## AMORTIZATION PROFILE<sup>11</sup>

(MILLIONS OF US DOLLARS)



11. Does not include US\$ 69 million of long-term debt at subsidiary level. Includes 30-year issuance by BBU.



## CONFERENCE CALL INFORMATION

### DIAL-IN

A conference call will be held today Thursday, October 26, 2023, at 7:00 pm Eastern (6:00 pm Central, 5:00pm Mexico City). 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>

### REPLAY

A replay will be available until November 2, 2023. You can access the replay through Grupo Bimbo's website

<https://www.grupobimbo.com/en/investors> or by dialing:

US +1 (877) 344 7529

International +1 (412) 317 0088

Canada +1 (855) 669 9658

Conference ID: 5436063

## ABOUT GRUPO BIMBO

**Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks.** Grupo Bimbo has 217 bakeries and plants and more than 1,500 sales centers strategically located in 34 countries throughout the Americas, Europe, Asia and Africa.

Its main product lines include sliced bread, buns & rolls, pastries, cakes, cookies, toast, English muffins, bagels, tortillas & flatbreads, and salty snacks, among others. Grupo Bimbo produces over 9,000 products and has one of the largest direct distribution networks in the world, with more than 57,000 routes and over 148,000 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

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## CONSOLIDATED BALANCE SHEET

(MILLIONS OF MEXICAN PESOS)

	Sep, 2023	Dec, 2022	% Change
<b>TOTAL ASSETS</b>	<b>346,144</b>	<b>347,764</b>	<b>(0.5%)</b>
<b>CURRENT ASSETS</b>	<b>60,522</b>	<b>63,470</b>	<b>(4.6%)</b>
Cash and Equivalents	6,249	12,313	(49.2%)
Accounts and Notes Receivables, Net	25,623	24,864	3.1%
Inventories	16,997	16,989	0.0%
Other Current Assets	11,499	9,166	25.5%
Assets Available for Sale	154	138	11.6%
Property, Plant and Equipment	121,085	113,505	6.7%
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	130,166	136,194	(4.4%)
Lease Rights of Use	26,424	28,477	(7.2%)
Other Assets	7,947	6,118	29.9%
<b>TOTAL LIABILITIES</b>	<b>233,409</b>	<b>220,162</b>	<b>6.0%</b>
<b>CURRENT LIABILITIES</b>	<b>97,876</b>	<b>89,734</b>	<b>9.1%</b>
Trade Accounts Payable	37,843	45,298	(16.5%)
Short-term Debt	23,430	6,435	>100%
Short-term lease liability	5,633	5,930	(5.0%)
Other Current Liabilities	30,970	32,071	(3.4%)
Long-term Debt	83,852	77,619	8.0%
Long-term lease liability	21,666	23,255	(6.8%)
Other Long-term Non-Financial Liabilities	30,015	29,554	1.6%
<b>SHAREHOLDERS' EQUITY</b>	<b>112,735</b>	<b>127,602</b>	<b>(11.7%)</b>
Minority Shareholders' Equity	3,353	3,491	(4.0%)
Majority Shareholders' Equity	109,382	124,111	(11.9%)

## CONSOLIDATED INCOME STATEMENT

(MILLIONS OF MEXICAN PESOS)

	3Q23	3Q22	% Change
Net Sales	99,182	102,726	(3.5%)
Cost of Goods Sold	47,971	50,155	(4.4%)
<b>GROSS PROFIT</b>	<b>51,211</b>	<b>52,571</b>	<b>(2.6%)</b>
General Expenses	40,314	42,149	(4.4%)
Other Expenses (Income), Net	1,148	(582)	>100%
<b>OPERATING INCOME</b>	<b>9,749</b>	<b>11,003</b>	<b>(11.4%)</b>
Comprehensive Financing Cost	3,096	2,355	31.5%
Interest Paid Net	2,679	2,177	23.1%
Exchange Rate Loss (Gain)	474	199	>100%
Monetary Loss (Gain)	(58)	(21)	>100%
Share in Results of Associated Companies	58	108	(46.0%)
<b>NET INCOME BEFORE TAXES</b>	<b>6,712</b>	<b>8,756</b>	<b>(23.4%)</b>
Income Taxes	2,182	2,729	(20.0%)
<b>INCOME (LOSS) FROM CONTINUED OPERATIONS</b>	<b>4,529</b>	<b>6,028</b>	<b>(24.9%)</b>
<b>INCOME FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>443</b>	<b>&gt;100%</b>
Net Minority Income	346	407	(15.0%)
<b>NET MAJORITY INCOME</b>	<b>4,183</b>	<b>6,064</b>	<b>(31.0%)</b>
<b>ADJUSTED EBITDA</b>	<b>14,467</b>	<b>14,501</b>	<b>(0.2%)</b>