



GRUPO BIMBO

REPORTS SECOND QUARTER 2024 RESULTS

July 24, 2024



“The second quarter results emphasize the advantages of our status as a diversified, global leader in our industry. Our EAA operation substantially increased profitability, achieving a record double-digit margin for a second quarter. Significant contribution came from our operations in Mexico, which not only demonstrated solid performance but also continued to emerge as our most profitable region, achieving sustained growth with an EBITDA margin expansion of 140 basis points. These successes effectively mitigated the challenging environments in North America and certain LatAm countries. Furthermore, we continued to reap the benefits of our enhanced revenue growth management capabilities, lower raw material costs, and strategic investments in innovation and transformational projects aimed at long-term value creation.”

– Rafael Pamias, CEO

“This quarter’s results were good and a perfect example of the benefits of being a well-diversified company. On one hand we were able to reach an all-time high level of Sales in Mexico and EAA, while at the same time Grupo Bimbo’s Sales increased, despite the tough comparison of the second quarter of 2023 where our sales grew 14.2%. We continue to benefit from lower commodities and from the investments we have made in the past, as well as efficiencies gained across the supply chain, which led to a record EBITDA margin for a second quarter.”

– 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 June 30, 2024.¹

HIGHLIGHTS OF THE QUARTER

- Despite the tough comparison, Net Sales excluding FX rate impact increased 0.5%, reflecting robust sales growth across all regions, most notably EAA and Mexico, except North America, as well as the contribution from past acquisitions
- Gross Margin expanded 120 basis points to 52.3% due to lower raw material costs and favorable mix across all regions
- Operating margin contracted 60 basis points, primarily due to soft volume against semi-fixed overhead costs and investments in the supply chain which will enable long-term benefits
- Adjusted EBITDA², excluding FX rate impact, increased 1.4% and the margin expanded 20 basis points, reaching a historic 14.2% for a second quarter
- Net Majority Income margin contracted 60 basis points
- Return on Equity³ closed the quarter at 11.9%
- Net Debt/Adjusted EBITDA⁴ ratio closed the quarter at 2.6 times

RECENT DEVELOPMENTS

- Bimbo was recognized as the most chosen food brand in Mexico, and in the top five most chosen brands in Mexico and in Latin America within the Fast-Moving Consumer Goods sector, according to Kantar
- Grupo Bimbo reduced its Scope 3 emissions in 2023 by 12% vs. 2022 and 3.7% vs. 2019 baseline
- As of 2023, 93% of the Company’s packaging is made from recyclable materials, reinforcing its commitment to circular economy

FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	2Q24	2Q23	Change (MXN)	Change (excl. FX) ⁵
Net Sales	98,087	100,036	(1.9%)	0.5%
Gross Profit	51,310	51,085	0.4%	2.7%
Operating Income	8,668	9,356	(7.3%)	(6.7%)
Adjusted EBITDA	13,953	13,988	(0.2%)	1.4%
Net Majority Income	3,320	3,965	(16.3%)	(13.0%)
Net Debt/Adj. EBITDA	2.6x	1.8x	0.8x	
ROE ⁶	11.9%	15.4%	(3.5pp)	

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. Adjusted with MEPPs.

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

5. Excluding FX rate impact.

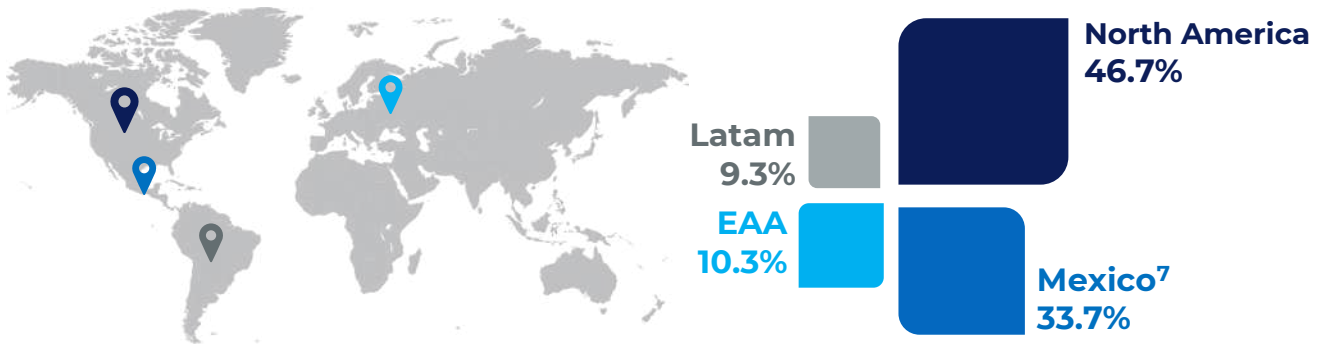
6. Adjusted with Ricollino divestiture and MEPPs for 2Q23 (12 months), and only MEPPs for 2Q24.

NET SALES

(MILLIONS OF MEXICAN PESOS)

Net Sales	2Q24	2Q23	% Δ (MXN)	% Δ (excl. FX)
North America	45,371	48,556	(6.6)	(3.4)
Mexico	37,369	35,783	4.4	4.4
EAA	10,646	10,205	4.3	8.9
Latin America	9,069	9,217	(1.6)	3.8
Grupo Bimbo	98,087	100,036	(1.9)	0.5

Consolidated results exclude inter-company transactions.



Despite the tough comparison, Net Sales excluding FX rate impact increased 0.5%, reflecting robust sales growth across all regions, most notably EAA and Mexico which reached all-time high level of Sales, except North America, which is undergoing an industry-wide challenging consumer environment, as well as the contribution from past acquisitions.

NORTH AMERICA⁸

Net Sales, excluding FX effect, decreased 3.4%, mainly due to a difficult comparison from the second quarter of 2023 (which increased 11.8%), an industry-wide weaker consumption environment and strategic exits of some non-branded business. This was partially offset by good performance in the sweet baked goods and salty snacks categories.



MEXICO

Net Sales in Mexico grew a solid 4.4% (on top of a 13% growth in 2Q23) reaching a record level, attributable to volume growth and a favorable price/mix effect. Strong trends in categories and channels, most notably cookies, buns and rolls, cakes and bread categories, as well as the retail and traditional channels. This was partially offset by the extreme hot weather conditions in Mexico, which mainly affected the sweet baked goods category.



7. Inter-company transactions have been removed from Mexico.
8. North America region includes operations in the United States and Canada.

EAA⁹

Sales in EAA excluding FX effect grew 8.9%, primarily due to strong sales performance in Bimbo QSR, the U.K. and Romania, and to a lesser extent, the inorganic contribution from the acquisitions completed in the past 12 months.



LATIN AMERICA¹⁰

Excluding FX effect, second quarter Net Sales increased 3.8%; due to strong performance in Brazil and other countries such as Costa Rica, Uruguay and Paraguay. This was partially offset by a challenging consumer environment in some countries like Colombia and Chile.



GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

	Gross Profit				Gross Margin (%)		
	2Q24	2Q23	% Δ (MXN)	% Δ (excl. FX)	2Q24	2Q23	Δ pp.
North America	24,237	25,404	(4.6)	(1.6)	53.4	52.3	1.1
Mexico	20,668	19,112	8.1	8.1	55.3	53.4	1.9
EAA	3,272	3,217	1.7	6.2	30.7	31.5	(0.8)
Latin America	3,982	3,988	(0.1)	5.1	43.9	43.3	0.6
Grupo Bimbo	51,310	51,085	0.4	2.7	52.3	51.1	1.2

Consolidated results exclude inter-company transactions.

Gross Profit, excluding FX effect, increased 2.7% and the margin expanded 120 basis points to 52.3%, mainly attributable to lower raw material costs and favorable mix across all regions.

OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

	Operating Income				Operating Margin (%)		
	2Q24	2Q23	% Δ (MXN)	% Δ (excl. FX)	2Q24	2Q23	Δ pp.
North America	1,779	3,306	(46.2)	(45.5)	3.9	6.8	(2.9)
Mexico	5,751	5,276	9.0	9.0	15.4	14.7	0.7
EAA	510	36	>100	>100	4.8	0.4	4.4
Latin America	291	359	(18.8)	(13.4)	3.2	3.9	(0.7)
Grupo Bimbo	8,668	9,356	(7.3)	(6.7)	8.8	9.4	(0.6)

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

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

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

Operating Income, excluding FX effect, declined 6.7% and the margin contracted 60 basis points reaching 8.8%, mostly due to reduced volume leverage on semi-fixed costs and investments in North America's value chain, which will enable long-term growth and strong productivity benefits.

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

	Adjusted EBITDA				Adjusted EBITDA Margin (%)		
	2Q24	2Q23	% Δ (MXN)	% Δ (excl. FX)	2Q24	2Q23	Δ pp.
North America	4,386	5,351	(18.0)	(16.1)	9.7	11.0	(1.3)
Mexico	7,482	6,649	12.5	12.5	20.0	18.6	1.4
EAA	1,109	773	43.4	53.4	10.4	7.6	2.8
Latin America	741	930	(20.3)	(16.0)	8.2	10.1	(1.9)
Grupo Bimbo	13,953	13,988	(0.2)	1.4	14.2	14.0	0.2

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

Adjusted EBITDA excluding FX effect increased 1.4%, and the margin expanded 20 basis points, to a record 14.2% for a second quarter, attributable to sales growth and strong performance of Gross Profit.

NORTH AMERICA

North America margin contracted 130 basis points primarily due to volume softness, transformational investments across the value chain, the strong Mexican peso impacting product cost imported from Mexico and general inflation. This was partially offset by lower commodity costs and strong productivity benefits.

MEXICO

The margin in Mexico expanded 140 basis points mainly attributable to positive product/mix and volumes, lower commodity costs and productivity savings throughout the supply chain.

EAA

EAA margin expanded 280 basis points reaching a double-digit record level for a second quarter at 10.4%, because of the strong sales performance, lower administrative expenses and the accretive effect from the acquisitions completed over the last 12 months.

LATIN AMERICA

Latin America Adjusted EBITDA margin contracted 190 basis points, mainly due to the challenging environment in Colombia and Chile, which was somewhat compensated by a strong profit evolution in Argentina.

COMPREHENSIVE FINANCIAL COST

(MILLIONS OF MEXICAN PESOS)

Comprehensive Financial Cost totaled Ps. 3,162 million, a 14% increase when compared to the second quarter of 2023, attributable to higher interest expenses primarily reflecting the higher debt position and, to a lesser extent, the depreciation of the Mexican peso.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

	Net Majority Income				Net Majority Margin (%)		
	2Q24	2Q23	% Δ (MXN)	% Δ (excl. FX)	2Q24	2Q23	Δ pp.
Grupo Bimbo	3,320	3,965	(16.3)	(13.0)	3.4%	4.0%	(0.6)

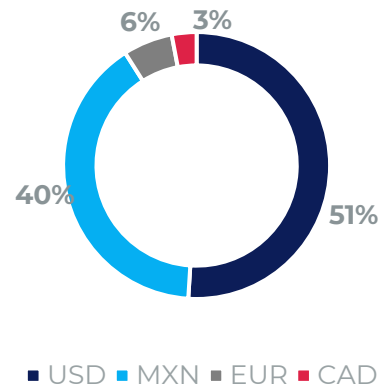
Net Majority Income excluding FX effect declined 13.0% and the margin contracted 60 basis points, mainly reflecting the long-term investments in the value chain, as well as higher financing costs.

FINANCIAL STRUCTURE

Total Debt on June 30, 2024, was Ps. 135 billion, compared to Ps. 110 billion on December 31, 2023. The increase was primarily due to financing of capital expenditures and strategic investments during the year and to a lesser extent to the impact of 8.8% depreciation of the Mexican peso.

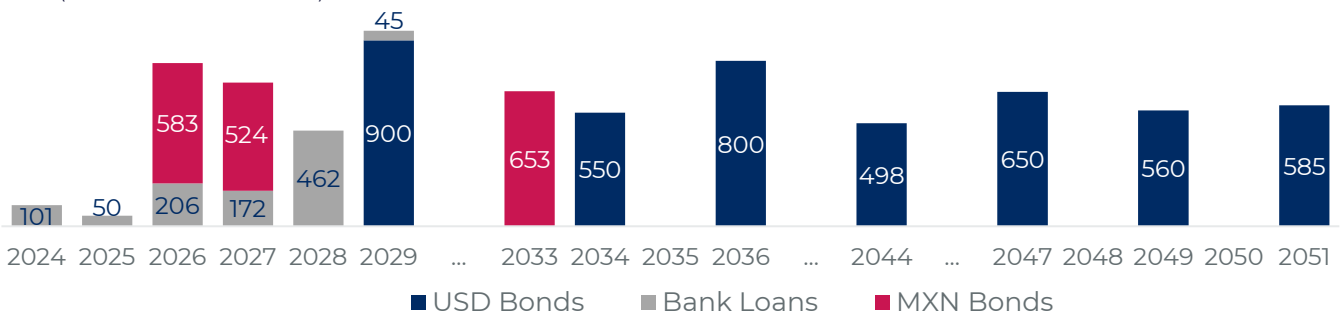
Average debt maturity was 11.83 years with an average cost of 6.73%. Long-term Debt comprised 98% of the total; 51% of the debt was denominated in US dollars, 40% in Mexican pesos, 6% in Euros and 3% in Canadian dollars.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 2.6 times, compared to 2.1 times on December 31, 2023.



AMORTIZATION PROFILE¹¹

(MILLIONS OF US DOLLARS)



¹¹. Does not include US\$ 76 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 Wednesday, July 24, 2024, 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 July 31, 2024. 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: 9721237

ABOUT GRUPO BIMBO

Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 227 bakeries and plants and more than 1,500 sales centers strategically located in 35 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 and salty snacks, among others. Grupo Bimbo has one of the largest direct distribution networks in the world with more than 58,000 routes and over 152,000 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)

	Jun, 2024	Dec, 2023	% Change
TOTAL ASSETS	379,932	348,102	9.1%
CURRENT ASSETS	63,887	58,914	8.4%
Cash and Equivalents	7,616	6,353	19.9%
Accounts and Notes Receivables, Net	26,641	24,013	10.9%
Inventories	18,185	16,120	12.8%
Other Current Assets	11,289	12,272	(8.0%)
Assets Available for Sale	156	156	(0.2%)
Property, Plant and Equipment	140,311	129,156	8.6%
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	139,879	126,292	10.8%
Lease Rights of Use	28,944	25,848	12.0%
Other Assets	6,911	7,892	(12.4%)
TOTAL LIABILITIES	263,264	236,474	11.3%
CURRENT LIABILITIES	76,715	87,192	(12.0%)
Trade Accounts Payable	37,594	41,821	(10.1%)
Short-term Debt	2,532	12,932	(80.4%)
Short-term lease liability	6,278	5,751	9.2%
Other Current Liabilities	30,311	26,688	13.6%
Long-term Debt	132,963	97,003	37.1%
Long-term lease liability	23,903	21,064	13.5%
Other Long-term Non-Financial Liabilities	29,682	31,215	(4.9%)
SHAREHOLDERS' EQUITY	116,668	111,628	4.5%
Minority Shareholders' Equity	2,763	3,306	(16.4%)
Majority Shareholders' Equity	113,905	108,322	5.2%

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF MEXICAN PESOS)

	2Q24	2Q23	% Change
Net Sales	98,087	100,036	(1.9%)
Cost of Goods Sold	46,777	48,951	(4.4%)
GROSS PROFIT	51,310	51,085	0.4%
General Expenses	41,289	41,065	0.5%
Other Expenses (Income), Net	1,353	664	>100%
OPERATING INCOME	8,668	9,356	(7.3%)
Comprehensive Financing Cost	3,162	2,774	14.0%
Interest Paid Net	2,976	2,308	28.9%
Exchange Rate Loss (Gain)	187	491	(61.9%)
Monetary Loss (Gain)	(1)	(24)	(96.6%)
Share in Results of Associated Companies	78	43	83.2%
NET INCOME BEFORE TAXES	5,585	6,624	(15.7%)
Income Taxes	1,925	2,315	(16.9%)
INCOME (LOSS) FROM CONTINUED OPERATIONS	3,659	4,309	(15.1%)
INCOME FROM DISCONTINUED OPERATIONS	0	12	(100.0%)
Net Minority Income	339	356	(4.7%)
NET MAJORITY INCOME	3,320	3,965	(16.3%)
ADJUSTED EBITDA	13,953	13,988	(0.2%)