

GRUPO BIMBO

REPORTS

FOURTH QUARTER AND FULL YEAR

2019 RESULTS

MEXICO CITY, FEBRUARY 20, 2020



"I am very pleased with our 2019 results, as we successfully overcame challenges in certain markets through strong operational execution and broad diversification globally, while we continue to invest in increasing our penetration and brand awareness."

-Daniel Servitje, Chairman and CEO

"Grupo Bimbo's strong operating efficiency and commitment to being an agile Company, enabled us to achieve sales growth in local currencies in Mexico and EAA. Our balance sheet continues to strengthen as we deleveraged reaching 2.4 times net debt to adjusted EBITDA."

-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 and twelve months ended December 31st, 2019.¹

HIGHLIGHTS OF THE YEAR

- Excluding FX effect, net sales grew 2.5%, mainly due to good performance in Mexico and EAA
- Adjusted EBITDA² increased 5.4%, with a margin expansion of 50 basis points reaching 11.5%
- Free Cash Flow amounted to \$2.4 billion pesos
- Net debt to adjusted EBITDA ratio decreased to 2.4x

RECENT EVENTS

- Grupo Bimbo expanded its operations to Kazakhstan, broadening its global leadership to 33 countries
- The Company completed the acquisition of Lender's, the largest US player in refrigerated and frozen bagels

SUSTAINABILITY HIGHLIGHTS

- Grupo Bimbo received the 2019 Rabobank Award for Leadership in Sustainability
- Grupo Bimbo signed the National Agreement for the New Plastics Economy in Mexico
- The Company announced its commitment to additionally include 4,000 electric vehicles for 2024
- Grupo Bimbo moves forward in its renewable energy strategy in Mexico, delivering the first electric vehicles fleet under the Vekstar brand, in addition to hybrid vehicles

FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	2019	2018	Change
Net Sales	291,926	289,320	0.9%
Adjusted EBITDA	33,426	31,700	5.4%
Adjusted EBITDAR ³	37,873	NA	NA
Net Majority Income	6,319	5,808	8.8%
Net Debt/Adj. EBITDA	2.4x	2.6x	(0.2x)
ROE	7.7%	7.3%	0.4pp

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

2. Adjusted EBITDA: Earnings before interest, taxes, depreciation, amortization, impairments, Voluntary Separation Program ("VSP") and Multiemployer Pension Plans charges ("MEPPs").

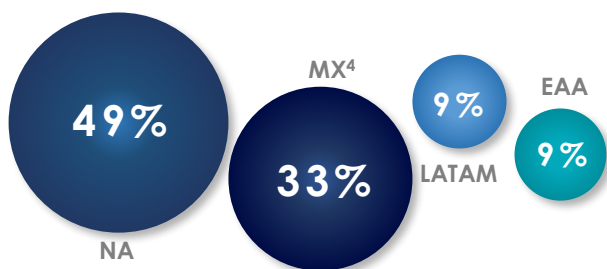
3. Adjusted EBITDAR: Earnings before interest, taxes, depreciation, amortization, rent, impairments, VSP and MEPPs charges.

NET SALES

(MILLIONS OF MEXICAN PESOS)

4Q19	4Q18	% Change	Net Sales	2019	2018	% Change
37,371	38,677	(3.4)	North America	144,005	143,968	0.0
26,291	25,378	3.6	Mexico	102,688	100,327	2.4
6,870	7,700	(10.8)	Latin America	27,144	28,341	(4.2)
6,859	6,915	(0.8)	EAA	26,655	25,899	2.9
75,457	76,591	(1.5)	Grupo Bimbo	291,926	289,320	0.9

Consolidated results exclude inter-company transactions.



Revenue mix for the last twelve months ended December 31, 2019.



Net sales during 2019 grew 2.5%, excluding FX effect, as a result of organic growth in Mexico and EAA, coupled with strategic bolt-on acquisitions completed during the period; including FX effect, net sales increased 0.9%.

NORTH AMERICA⁵

Net sales in North America decreased 3.4% during the fourth quarter mainly as a result of FX rate pressure. **For the full year, net sales remained flat**, primarily due to continued execution of the portfolio optimization strategy implemented in Q2 in the US, which was offset by strategic brands growth in the US, strong performance in Canada and the sweet baked goods and snacks categories throughout the region. The competitive environment in the premium category and compression of the private label category in the US continued to be a challenge.



MEXICO

Net sales in Mexico grew 3.6% during the fourth quarter, showing a sequential improvement. **For the full year net sales improved by 2.4%**, primarily reflecting strong volume growth across most categories, particularly buns, cookies and cakes and every channel, with the convenience channel outperforming.



⁴ Inter-company transactions have been removed from Mexico.
⁵ North America region includes operations in the United States and Canada.

LATIN AMERICA⁶

Net sales in Latin America decreased by **10.8% and 4.2%**, for the fourth quarter and full year, respectively. Full year results were attributable to a weak performance in Brazil and Argentina and FX rate pressure, which was offset by strong results across the *Latin Centro* and *Latin Sur* divisions, with Chile and Peru outperforming.

EAA⁷

Net sales in EAA declined 0.8%, for the fourth quarter totally attributable to FX rate pressure, while local currency sales improved by 2%. For the full year, **net sales grew 2.9%**, driven by good performance of Iberia and Bimbo QSR, with outperformance from the bread and sweet baked goods categories.



GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

4Q19	4Q18	% Change	Gross Profit	2019	2018	% Change
19,590	20,519	(4.5)	North America	76,895	76,901	(0.0)
14,682	14,335	2.4	Mexico	57,280	56,498	1.4
2,887	3,340	(13.6)	Latin America	12,022	12,969	(7.3)
2,425	2,548	(4.9)	EAA	9,679	9,597	0.9
39,289	40,284	(2.5)	Grupo Bimbo	153,742	153,650	0.1

4Q19	4Q18	Change pp	Gross Margin (%)	2019	2018	Change pp
52.4	53.1	(0.7)	North America	53.4	53.4	0.0
55.8	56.5	(0.7)	Mexico	55.8	56.3	(0.5)
42.0	43.4	(1.4)	Latin America	44.3	45.8	(1.5)
35.3	36.9	(1.6)	EAA	36.3	37.1	(0.8)
52.1	52.6	(0.5)	Grupo Bimbo	52.7	53.1	(0.4)

Consolidated results exclude inter-company transactions.

2019 gross profit slightly improved by 0.1%, with a margin contraction of 40 basis points, primarily reflecting higher raw material costs.

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

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

4Q19	4Q18	% Change	Adj. EBITDA	2019	2018	% Change
3,344	3,822	(12.5)	North America	13,866	12,993	6.7
5,559	5,127	8.4	Mexico	18,621	18,200	2.3
(151)	54	NA	Latin America	(2)	732	NA
411	86	>100	EAA	1,382	105	>100
9,598	9,436	1.7	Grupo Bimbo	33,426	31,700	5.4

4Q19	4Q18	Change pp	Adj. EBITDA Margin (%)	2019	2018	Change pp
8.9	9.9	(1.0)	North America	9.6	9.0	0.6
21.1	20.2	0.9	Mexico	18.1	18.1	0.0
(2.2)	0.7	(2.9)	Latin America	(0.0)	2.6	(2.6)
6.0	1.3	4.7	EAA	5.2	0.4	4.8
12.7	12.3	0.4	Grupo Bimbo	11.5	11.0	0.5

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

2019 adjusted EBITDA increased 5.4% with a margin expansion of 50 basis points, attributable to positive operating performance in most regions and lower general and administrative expenses resulting from productivity initiatives.

NORTH AMERICA

Full year 60 basis points expansion in the margin was due to the efficiencies gained from restructuring initiatives and improved portfolio mix from growth in strategic brands and snacks.

For the fourth quarter, margin contraction was attributable to top line performance, inflationary pressure in raw materials and distribution expenses, and restructuring investments related to the route optimization activity and a plant closure in the US.

MEXICO

The margin remained flat year over year, attributable to healthy sales performance and lower general expenses, as a reflection of cost-cutting initiatives, offset by higher raw material costs.

LATIN AMERICA

Latin America margin contraction was due to the macroeconomic conditions in Argentina and extraordinary expenses in Brazil, partially offset by lower general expenses in the *Latin Centro* and *Latin Sur* divisions.

EAA

EAA posted a strong 480 basis points expansion in the margin in 2019, as a result of the synergies achieved from the acquisition of Donuts Iberia, lower integration expenses and strong performance of the Bimbo QSR business.

OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

4Q19	4Q18	% Change	Operating Income	2019	2018	% Change
1,472	2,101	(29.9)	North America	6,094	5,100	19.5
4,698	4,472	5.1	Mexico	15,966	15,750	1.4
(666)	(304)	>100	Latin America	(1,337)	(529)	>100
134	(423)	NA	EAA	136	(1,481)	NA
6,073	6,191	(1.9)	Grupo Bimbo	20,419	18,509	10.3

4Q19	4Q18	Change pp	Operating Margin (%)	2019	2018	Change pp
3.9	5.4	(1.5)	North America	4.2	3.5	0.7
17.9	17.6	0.3	Mexico	15.5	15.7	(0.2)
(9.7)	(4.0)	(5.7)	Latin America	(4.9)	(1.9)	(3.0)
2.0	(6.1)	8.1	EAA	0.5	(5.7)	6.2
8.0	8.1	(0.1)	Grupo Bimbo	7.0	6.4	0.6

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

Full year operating income increased 10.3% and the margin expanded 60 basis points, as a reflection of good operating performance across most regions. Partially offset by the non-cash charges related to the adjustment of the Multi-Employer Pension Plans (“MEPPs”) liability registered in the second and third quarters, as well as restructuring investments mainly in North America and extraordinary expenses in Brazil.

During the fourth quarter, the Company posted higher other expenses, due to strategic investments in restructuring mainly in North America and impairment charges for Ps. 1.1 billion, which were related to the portfolio optimization strategy in the US and the operations of Argentina and Brazil.

COMPREHENSIVE FINANCIAL RESULT

(MILLIONS OF MEXICAN PESOS)

Comprehensive Financial Result for the year totaled Ps. 8,560 million, 22.4% higher when compared to 2018. This increase was mainly related to a one-time expense from the US\$600 million liability management transaction of the 2020 notes, a loss from the net monetary asset position in Argentina and the implementation of IFRS16.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

4Q19	4Q18	% Change	Net Majority Income	2019	2018	% Change
1,825	2,515	(27.4)	Grupo Bimbo	6,319	5,808	8.8

4Q19	4Q18	Change pp	Net Majority Margin (%)	2019	2018	Change pp
2.4	3.3	(0.9)	Grupo Bimbo	2.2	2.0	0.2

Full year net majority income increased 8.8% and the margin expanded 20 basis points, due to the improved operating performance and a lower effective tax rate, which stood at 39.1%.

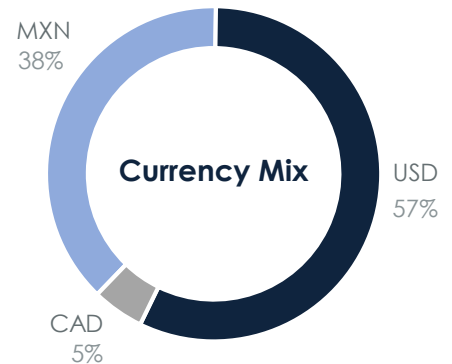
FINANCIAL STRUCTURE

Total debt at December 31st, 2019, was Ps. 86.7 billion, compared to Ps. 89.8 billion on December 31st, 2018.

Average debt maturity was 13.3 years with an average cost of 6.1%. Long-term debt comprised 94% of the total; 57% of the debt was denominated in US dollars, 38% in Mexican pesos and 5% in Canadian dollars.

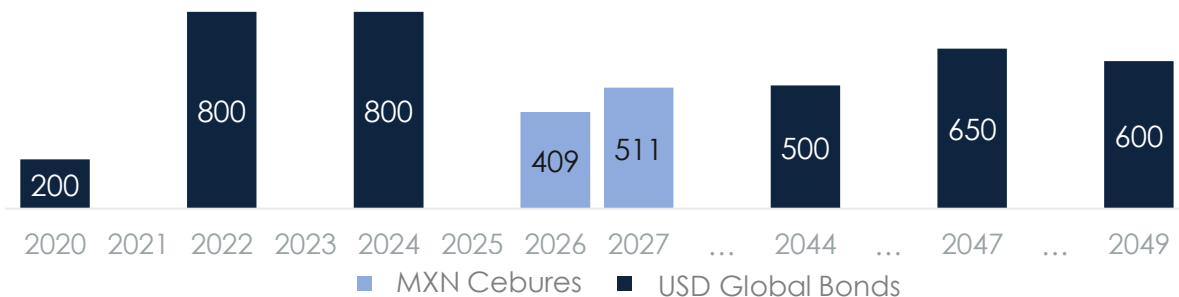
The net debt to adjusted EBITDA ratio was 2.4 times compared to 2.6 times at December 31st, 2018.

The Company invested Ps. 1.8 billion in its share buyback program, buying back approximately 46.6 million shares.



AMORTIZATION PROFILE⁸

(MILLIONS OF US DOLLARS)



8. Does not include debt at the subsidiary level of US\$155 million.

RECENT EVENTS

- **Grupo Bimbo, through its subsidiary Bimbo QSR, announced a joint venture with Food Town, the buns supplier and franchisee of McDonald's in Kazakhstan.** This joint venture, in which Grupo Bimbo holds 51% of share, strengthens the manufacturing footprint of Bimbo QSR and aligns its relationship with the Quick Service Restaurants ("QSR") clients in Central Asia. This operation broadens Grupo Bimbo's global presence to 33 countries and strengthens its leadership in the QSR industry, which is expected to have a compounded annual growth rate of 8.9%⁹ by 2023 in Asia.

"It is our priority to meet the needs of our QSR customers worldwide and we will continue to invest in our business to achieve it", said Mark Bendix, president of Bimbo QSR. "This operation in Kazakhstan is well positioned to meet the growing demand of our customers in the region".

This operation is expected to be completed during the first quarter of 2020.

- **The Company completed the acquisition of Lender's,** the largest US player in refrigerated and frozen bagels.

SUSTAINABILITY HIGHLIGHTS

- **Grupo Bimbo received the 2019 Rabobank Award for Leadership in Sustainability.** Rabobank, a leading global food and agribusiness bank, announced the recipients of its annual Food & Agribusiness North America Leadership Awards. The Rabobank Award for Leadership in Sustainability celebrates an organization that has taken major strides in business, environmental, social and governance sustainability.
- **Grupo Bimbo signed the National Agreement for the New Plastics Economy in Mexico,** which aims continue adding efforts to mitigate the impact of use of plastics in the environment and to move forward with an economy in which the materials can be converted into raw materials for its use.

By signing this agreement, Grupo Bimbo reinforces its commitment for biodegradable, recyclable or compostable packaging for 2025.

- **Grupo Bimbo announced that over the next four years, starting in 2020, its fleet of electric distribution vehicles in Mexico will grow by 4,000 units,** representing an investment of 2.8 billion pesos.

To achieve this goal, Moldex, a subsidiary of Grupo Bimbo, which has been engineering and producing electric vehicles since 2012, will be responsible for providing 1,000 units per year over a period of four years. These vehicles will be integrated into various distribution routes in the country, thereby supporting the Company's commitment to developing innovative solutions to benefit the planet. Grupo Bimbo currently operates the largest fleet of electric distribution vehicles in Mexico and one of the largest in Latin America. Throughout the country, the Company already has more than 400 vehicles of this type.

- **The Company incorporated over 140 sustainable vehicles in Mexico,** of which 100 were electric, 41 hybrid vehicles and presented electric trucks for its new Distribution Center in Mexico City. This represents the first delivery for the Company's commitment to increase the electric vehicle fleet to 4,000 in 2024.



CONFERENCE CALL INFORMATION

DIAL-IN

A conference call will be held on Friday, February 21, 2020 at 08:30 am Eastern (07:30 am 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 March 4, 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: 10138480

ABOUT GRUPO BIMBO

Grupo Bimbo is the largest baking Company in the world. Grupo Bimbo has 196 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 approximately three million points of sale, around 58,000 routes and more than 136,000 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

www.grupobimbo.com

ir@grupobimbo.com
(5255) 5268 6830

CONSOLIDATED BALANCE SHEET

BALANCE SHEET (MILLIONS OF MEXICAN PESOS)	2019	2018	Change %
TOTAL ASSETS	279,808	263,317	6.3%
CURRENT ASSETS	44,197	44,852	(1.5%)
Cash and Equivalents	6,251	7,584	(17.6%)
Accounts and Notes Receivables, Net	26,198	25,942	1.0%
Inventories	9,819	9,340	5.1%
Other Current Assets	1,929	1,987	(2.9%)
Property, Machinery and Equipment, Net	84,341	87,243	(3.3%)
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	119,328	123,914	(3.7%)
Right of Use Lease	25,550	-	NA
Other Assets	6,392	7,307	(12.5%)
TOTAL LIABILITIES	201,497	178,743	12.7%
CURRENT LIABILITIES	54,620	48,749	12.0%
Trade Accounts Payable	24,169	21,983	9.9%
Short-term Debt	5,408	1,153	>100%
Short-term liability for leasing	4,599	-	NA
Other Current Liabilities	20,443	25,613	(20.2%)
Long-term Debt	81,264	88,693	(8.4%)
Long-term liability for leasing	20,741	-	NA
Other Long-term Non-Financial Liabilities	44,872	41,302	8.6%
STOCKHOLDER'S EQUITY	78,311	84,574	(7.4%)
Minority Stockholder's Equity	4,575	4,885	(6.4%)
Majority Stockholder's Equity	73,736	79,688	(7.5%)

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (MILLIONS OF MEXICAN PESOS)	4Q19	4Q18	Change %	2019	2018	Change %
Net Sales	75,457	76,591	(1.5%)	291,926	289,320	0.9%
Cost of Goods Sold	36,168	36,306	(0.4%)	138,184	135,669	1.9%
GROSS PROFIT	39,289	40,284	(2.5%)	153,742	153,650	0.1%
General Expenses	31,730	33,129	(4.2%)	126,876	128,707	(1.4%)
Other Expenses (Income), Net	1,488	965	54.3%	6,448	6,434	0.2%
OPERATING PROFIT	6,071	6,191	(1.9%)	20,419	18,509	10.3%
Integral Cost of Financing	2,529	1,714	47.6%	8,560	6,995	22.4%
Interest Paid Net	2,317	1,910	21.3%	8,000	7,283	9.8%
Exchange Rate Loss (Gain)	158	6	>100	446	85	NA
Monetary (Gain) Loss	54	202	NA	114	202	NA
Equity in Results of Associated Companies	117	(0)	NA	249	194	28.8%
INCOME BEFORE TAXES	3,659	4,477	(18.3%)	12,108	11,707	3.4%
Income Taxes	1,548	1,739	(11.0%)	4,733	4,897	(3.3%)
PROFIT BEFORE DISCONTINUED OPERATIONS	2,112	2,738	(22.9%)	7,375	6,811	8.3%
Net Minority Income	287	223	28.4%	1,057	1,003	5.4%
NET MAJORITY INCOME	1,825	2,515	(27.4%)	6,319	5,808	8.8%
ADJUSTED EBITDA	9,598	9,436	1.7%	33,426	31,700	5.4%