



GRUPO BIMBO

REPORTS THIRD QUARTER 2024 RESULTS

October 29, 2024



“These third quarter results continue to demonstrate the strength of our business, showcasing our diverse geographies and categories, as well as the exceptional execution by our teams. Overall, our volumes showed positive growth, and our Net Sales increased 7.4%. In Mexico, we achieved strong results thanks to significant volume growth exceeding the mix effect, allowing us to reach an EBITDA margin of nearly 22%. We also saw remarkable results in EAA, where we attained the highest EBITDA margin ever at 10%. And our Latam region began to show signs of recovery, despite ongoing challenges, with improving trends in Colombia and Chile, and resilience in Argentina. These successes helped offset the difficult environment in North America, where, while we observed improvements compared to the first half of the year, consumption trends remain soft. Collectively, all the mentioned results contributed to a record Adjusted EBITDA margin for a third quarter at 14.7%.”

– Rafael Pamiás, CEO

“This quarter’s results were good and a perfect example of the benefits of being a well-diversified company not only in terms of categories and channels, but also in terms of currencies. We achieved an all-time high in Sales, a favorable mix evolution, and we continue to benefit from lower commodity prices and the acquisitions made in the past, resulting in a record Adjusted EBITDA margin for a third 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 September 30, 2024.¹

HIGHLIGHTS OF THE QUARTER

- Net Sales hit a record high for a third quarter at Ps.106,046 million, an increase of 7.4%, driven by positive volume and mix, a favorable exchange rate conversion and, to a lesser extent, the inorganic contribution from recent acquisitions
- Mexico posted strong volume performance and Adjusted EBITDA margin of nearly 22%
- EAA region reached record levels of Net Sales and Adjusted EBITDA margin for a third quarter of 10%
- Gross Margin expanded 150 basis points to 53.1% attributable to lower raw material costs and favorable mix evolution.
- Operating Margin contracted 100 basis points, primarily due to investments in the value chain, which will enable long-term benefits, mainly in North America. As a result, Net Majority Income decreased 11.6% and the margin contracted 70 basis points
- Adjusted EBITDA², reached a peak level for any quarter at Ps.15,640 million, an increase of 8.4%, and the margin expanded 10 basis points to 14.7%, achieving for two periods in a row the highest level recorded for a quarter
- Net Debt/ Adjusted EBITDA³ ratio closed the quarter at 2.8 times

RECENT DEVELOPMENTS

- Grupo Bimbo signed an agreement to acquire Don Don, a leading player in the baking industry within Southeast Europe, with presence in Serbia, Slovenia, Croatia and Montenegro, and exports to several countries. With this, Grupo Bimbo will expand its geographic presence to 39 countries. The acquisition is still subject to regulatory approvals
- The Company entered into an agreement to acquire Wickbold, a player in the baking industry in Brazil. This transaction is still subject to regulatory approvals
- Grupo Bimbo concluded the acquisition of Pagnifique in Uruguay, a recognized player in the high-quality frozen bread market
- For the second consecutive year, Grupo Bimbo appeared in the list of the “World’s Best Companies” by Time’s magazine, standing out for being part of the top 10 within the global food category. And for the first time, Forbes magazine recognized the Company as one of the World’s Best Employers in 2024
- Grupo Bimbo was awarded by Merco, for the eighth consecutive year, as the Company with the Best Corporate Reputation in Mexico
- Grupo Bimbo held the ninth Bimbo Global Race, and thanks to more than 300 thousand participants, including 160 thousand virtual runners, more than 3 million slices of bread are being donated to food banks around the world

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

FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	3Q24	3Q23	Change (MXN)	Change (excl. FX) ⁴
Net Sales	106,046	98,779	7.4%	0.8%
Gross Profit	56,291	51,017	10.3%	3.8%
Operating Income	9,359	9,718	(3.7%)	(6.6%)
Adjusted EBITDA	15,640	14,423	8.4%	3.5%
Net Majority Income	3,695	4,178	(11.6%)	(12.9%)
Net Debt/Adj. EBITDA	2.8x	2.0x	0.8x	
ROE ⁵	11.1%	14.6%	(3.6pp)	

NET SALES

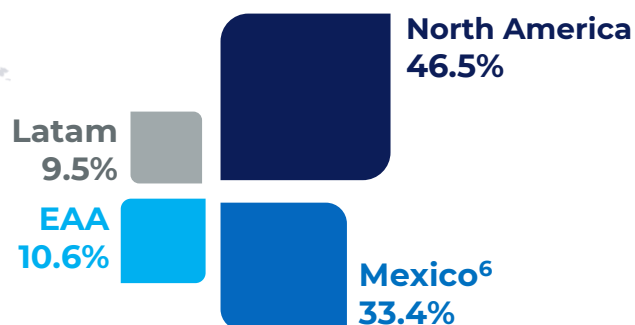
(MILLIONS OF MEXICAN PESOS)

Net Sales	3Q24	3Q23	% Δ (MXN)	% Δ (excl. FX)
North America	49,930	47,235	5.7	(4.5)
Mexico	38,793	36,375	6.6	6.6
EAA	11,913	9,919	20.1	7.3
Latin America	10,151	9,009	12.7	7.7
Grupo Bimbo	106,046	98,779	7.4	0.8

Consolidated results exclude inter-company transactions.



Revenue mix for the last twelve months ended September 30, 2024.



Net Sales hit a record high for a third quarter at Ps.106,046 million, an increase of 7.4%, driven by positive volume and mix, a favorable exchange rate conversion and, to a lesser extent, the inorganic contribution from recent acquisitions.

NORTH AMERICA⁷

Net Sales increased 5.7% in peso terms, excluding FX effect, Sales decreased 4.5%, mainly due to the continued industry-wide weak consumption environment and strategic exits of some non-branded business. This was partially offset by unit share gains in the bagels, sweet baked goods and snacks categories.



4. Excluding FX rate impact.

5. Adjusted with MEPPs.

6. Inter-company transactions have been removed from Mexico.

7. North America region includes operations in the United States and Canada.

MEXICO

Net Sales in Mexico grew 6.6% mainly attributable to volume growth in all channels and most categories; notably the cookies, sweet baked goods, buns and rolls, cakes and salty snacks categories.



EAA⁸

Sales in EAA increased 20.1%, excluding FX effect grew 7.3%, primarily reflecting strong performance in Bimbo QSR, double-digit growth in Romania, India, the U.K., and Morocco, as well as the inorganic contribution from the acquisitions completed in the past 12 months.



LATIN AMERICA⁹

Net Sales grew 12.7%, excluding FX effect Net Sales increased 7.7%, because of good sales performance in the *Latin Sur* and Brazil divisions as well as some countries such as Costa Rica and El Salvador. This was partially offset by a challenging, but improving, environment in some countries like Colombia and Chile.



GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

	Gross Profit				Gross Margin (%)		
	3Q24	3Q23	% Δ (MXN)	% Δ (excl. FX)	3Q24	3Q23	Δ pp.
North America	26,395	24,535	7.6	(2.8)	52.9	51.9	1.0
Mexico	21,895	19,732	11.0	11.0	56.4	54.2	2.2
EAA	4,412	3,455	27.7	13.8	37.0	34.8	2.2
Latin America	4,428	3,886	14.0	8.3	43.6	43.1	0.5
Grupo Bimbo	56,291	51,017	10.3	3.8	53.1	51.6	1.5

Consolidated results exclude inter-company transactions.

Gross Profit increased 10.3%, and the margin expanded 150 basis points to 53.1% attributable to lower raw material costs and favorable mix evolution.

OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

	Operating Income				Operating Margin (%)		
	3Q24	3Q23	% Δ (MXN)	% Δ (excl. FX)	3Q24	3Q23	Δ pp.
North America	1,774	3,123	(43.2)	(48.5)	3.6	6.6	(3.0)
Mexico	6,652	5,948	11.8	11.8	17.1	16.4	0.7
EAA	476	187	<100	<100	4.0	1.9	2.1
Latin America	337	369	(8.7)	(15.5)	3.3	4.1	(0.8)
Grupo Bimbo	9,359	9,718	(3.7)	(6.6)	8.8	9.8	(1.0)

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

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

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

Operating Income declined 3.7% and the margin contracted 100 basis points reaching 8.8%, primarily due to investments in North America's value chain which will enable long-term benefits, and to the closure of three facilities in the U.S. to maximize the industrial footprint. Additionally, the Company has announced the closure of one bakery in Canada and one in Spain.

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

	Adjusted EBITDA				Adjusted EBITDA Margin (%)		
	3Q24	3Q23	% Δ (MXN)	% Δ (excl. FX)	3Q24	3Q23	Δ pp.
North America	4,744	5,162	(8.1)	(16.8)	9.5	10.9	(1.4)
Mexico	8,491	7,377	15.1	15.1	21.9	20.3	1.6
EAA	1,192	754	57.9	41.8	10.0	7.6	2.4
Latin America	980	937	4.6	(0.9)	9.7	10.4	(0.7)
Grupo Bimbo	15,640	14,423	8.4	3.5	14.7	14.6	0.1

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

Adjusted EBITDA¹⁰, reached a peak level for any quarter at Ps.15,640 million, an increase of 8.4%, and the margin expanded 10 basis points, achieving the highest level recorded for a third quarter, at 14.7% attributable to the solid sales performance and lower commodity costs.

NORTH AMERICA

North America margin contracted 140 basis points mainly due to soft topline performance and strategic investments in the value chain to increase capabilities to better serve more customers and consumers, as well as the closure of three bakeries. This was partially offset by lower commodity costs and productivity benefits.

MEXICO

The margin in Mexico strongly expanded 160 basis points reaching 21.9% mainly attributable to the favorable volume and mix performance and lower commodity costs.

EAA

EAA margin expanded 240 basis points reaching a record level for a third quarter at 10%, because of the strong sales performance, lower administrative expenses and the accretive effect from the acquisitions completed over the last 12 months. This was somewhat offset by the expenses related to the closure of a bakery in Valladolid, Spain.

LATIN AMERICA

Latin America Adjusted EBITDA margin contracted 70 basis points mainly due to a challenging consumer environment in Chile which has been sequentially improving, weak, but resilient, results in Argentina and the reallocation of our bakery in Paraguay. This was somewhat compensated by excellent results in Brazil and positive trends in Colombia.

COMPREHENSIVE FINANCIAL COST

(MILLIONS OF MEXICAN PESOS)

Comprehensive Financial Cost totaled Ps. 3,247 million, a 5.7% increase when compared to the third quarter of 2023, attributable to higher interest expenses, partially offset by a lower FX loss.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

	Net Majority Income				Net Majority Margin (%)		
	3Q24	3Q23	% Δ (MXN)	% Δ (excl. FX)	3Q24	3Q23	Δ pp.
Grupo Bimbo	3,695	4,178	(11.6)	(12.9)	3.5	4.2	(0.7)

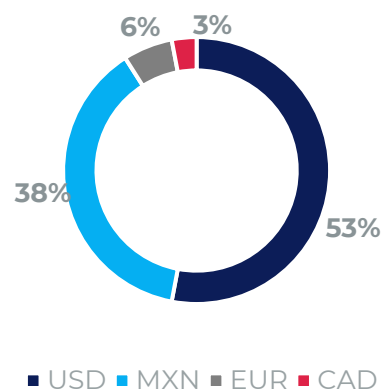
Net Majority Income declined 11.6% and the margin contracted 70 basis points, mainly reflecting the long-term investments in the value chain.

FINANCIAL STRUCTURE

Total Debt on September 30, 2024, was Ps. 146 billion, compared to Ps. 110 billion on December 31, 2023. The increase was primarily due to financing for capital expenditures, strategic investments during the year and the impact of the 16.1% depreciation of the Mexican peso.

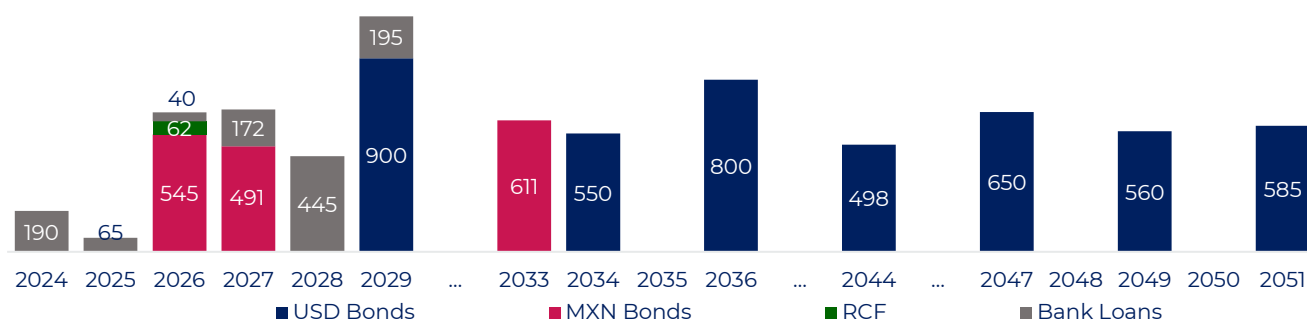
Average debt maturity was 11.5 years with an average cost of 6.6%. Long-term Debt comprised 97% of the total; 53% of the debt was denominated in US dollars, 38% in Mexican pesos, 6% in Euros and 3% in Canadian dollars.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 2.8 times, compared to 2.1 times on December 31, 2023.



AMORTIZATION PROFILE¹¹

(MILLIONS OF US DOLLARS)



11. Figures converted with end of period FX of \$19.63 Ps/US. Does not include US\$ 102 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 Tuesday, October 29, 2024, at 7:00 pm Eastern (6:00 pm Central, 5:00 pm 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 5, 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: 4396827

ABOUT GRUPO BIMBO

Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 223 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)

	Sept, 2024	Dec, 2023	% Change
TOTAL ASSETS	408,954	348,102	17.5%
CURRENT ASSETS	67,864	58,914	15.2%
Cash and Equivalents	8,434	6,353	32.8%
Accounts Receivable, Net	28,126	24,013	17.1%
Inventories	18,785	16,120	16.5%
Other Current Assets	12,518	12,428	0.7%
Property, Plant and Equipment	149,801	129,156	16.0%
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	151,949	126,292	20.3%
Lease Rights of Use	31,943	25,848	23.6%
Other Assets	7,398	7,892	(6.3%)
TOTAL LIABILITIES	281,239	236,474	18.9%
CURRENT LIABILITIES	83,378	87,192	(4.4%)
Trade Accounts Payable	38,571	41,821	(7.8%)
Short-term Debt	4,722	12,932	(63.5%)
Short-term lease liability	6,963	5,751	21.1%
Other Current Liabilities	33,122	26,688	24.1%
Long-term Debt	140,914	97,003	45.3%
Long-term lease liability	26,325	21,064	25.0%
Other Long-term Non-Financial Liabilities	30,622	31,215	(1.9%)
SHAREHOLDERS' EQUITY	127,715	111,628	14.4%
Minority Shareholders' Equity	2,531	3,306	(23.4%)
Majority Shareholders' Equity	125,184	108,322	15.6%

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF MEXICAN PESOS)

	3Q24	3Q23	% Change
Net Sales	106,046	98,779	7.4%
Cost of Goods Sold	49,756	47,763	4.2%
GROSS PROFIT	56,291	51,017	10.3%
General Expenses	44,637	40,143	11.2%
Other Expenses, Net	2,294	1,155	>100%
OPERATING INCOME	9,359	9,718	(3.7%)
Comprehensive Financing Cost	3,247	3,070	5.7%
Interest Paid Net	3,093	2,665	16.0%
Exchange Rate Loss (Gain)	136	438	(69.0%)
Monetary Loss (Gain)	18	(32)	>100%
Share in Results of Associated Companies	84	58	43.9%
NET INCOME BEFORE TAXES	6,196	6,706	(7.6%)
Income Taxes	2,086	2,182	(4.4%)
INCOME FROM CONTINUED OPERATIONS	4,110	4,524	(9.1%)
Net Minority Income	415	346	20.0%
NET MAJORITY INCOME	3,695	4,178	(11.6%)
ADJUSTED EBITDA	15,640	14,423	8.4%