

GRUPO BIMBO

REPORTS THIRD QUARTER 2020 RESULTS

MEXICO CITY, OCTOBER 21, 2020



“Our results demonstrate an exceptional quarter reaching record profit levels; we continue to experience high demand and strong performance in the retail channel where consumers are returning to reliable brands. We are on the right path to end the year stronger. Now more than ever we appreciate the efforts of our frontline associates who have continued to maintain momentum and perform with excellence at the point of sale.”

-Daniel Servitje, Chairman and CEO

“Our financial decisions taken since the pandemic to prioritize cash generation and preservation have supported our strong results, achieving record levels of Free Cash Flow. We continue to be optimistic and confident for the remainder of the year given our strong financial performance and global diversification.”

-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 months ended September 30, 2020.¹

HIGHLIGHTS OF THE QUARTER

Grupo Bimbo posted record third quarter Net Sales of Ps. 85.8 billion, a 14.6% increase, primarily due to outstanding volume growth in North America and FX rate benefit

Net Majority Income increased 85.4%, and the margin expanded 160 basis points

Adjusted EBITDA² reached record levels for a third quarter, a 17.9% growth and a 40 basis point margin expansion

Cumulative Free Cash Flow³ totaled Ps. \$13.4 billion

RECENT EVENTS

- Grupo Bimbo announced the cancellation of 169,441,413 shares held in treasury, nearly 4% of its total shares outstanding
- Grupo Bimbo organized virtually the 2020 Global Energy Race, and due to everyone's participation, more than 6 million slices of bread will be donated to food banks in host cities
- Grupo Bimbo acquired the majority stake in its JV, Blue Label Mexico, committed to provide an electronic platform to small merchandisers in Mexico

FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	3Q20	3Q19	Change
Net Sales	85,800	74,851	14.6%
Gross Profit	46,191	39,526	16.9%
Operating Income	7,945	5,411	46.8%
Adjusted EBITDA	12,110	10,270	17.9%
Net Majority Income	3,579	1,930	85.4%
Net Debt/Adj. EBITDA ⁴	2.2x	2.6x	-0.4x
ROE ⁵	11.4%	10.3%	1.1pp

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. Free cash flow for the first nine months ended September 30, 2020 before dividends and share buybacks.

4. Does not consider the effect of IFRS16.

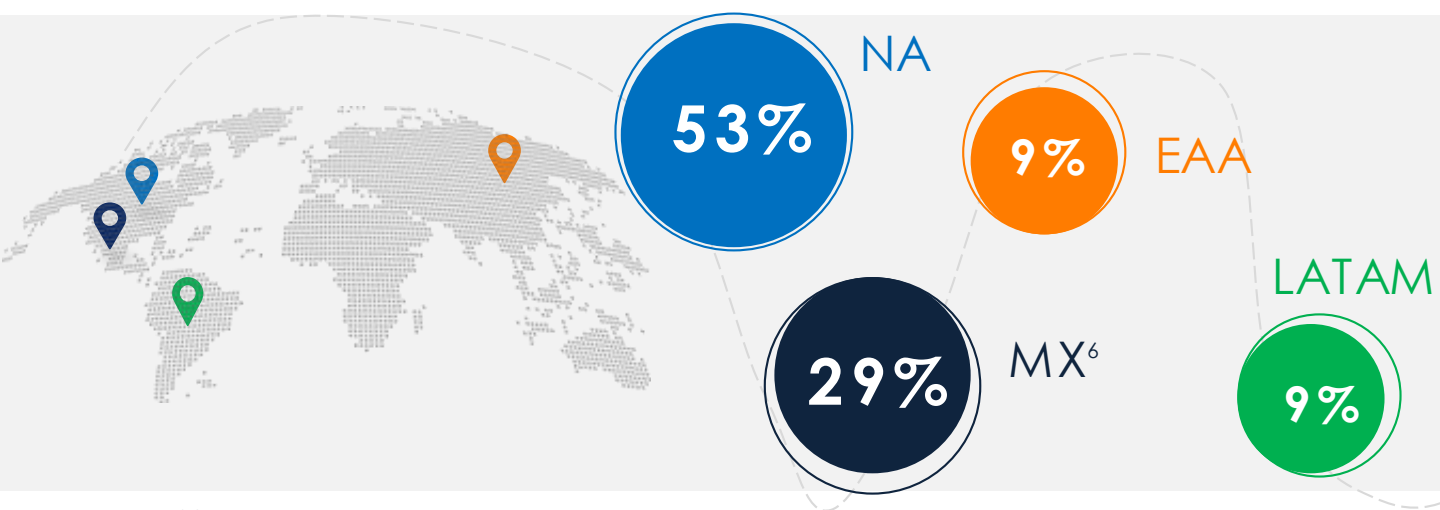
5. Adjusted with the MEPPs non-cash charge.

NET SALES

(MILLIONS OF MEXICAN PESOS)

Net Sales	3Q20	3Q19	% Change
North America	46,390	37,569	23.5
Mexico	26,059	25,861	0.8
Latin America	7,628	6,930	10.1
EAA	8,076	6,693	20.7
Grupo Bimbo	85,800	74,851	14.6

Consolidated results exclude inter-company transactions.



Third quarter Net Sales rose 14.6%, primarily due to outstanding volume growth in North America and FX rate benefit.

NORTH AMERICA⁷



Net Sales increased 23.5% primarily reflecting strong volume growth and FX rate benefit; dollar sales increased by 8.5%. The sweet baked goods, buns & rolls, bread, English muffins, and snacks categories posted market share gains, and the retail and e-commerce channels continued to outperform. This was partially offset by weak volumes across the QSR and foodservice businesses, including schools which remain temporarily closed, and lower traffic in channels such as convenience due to the coronavirus pandemic.



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

Net Sales in Mexico rose 0.8% mainly due to the good performance in the retail and traditional channels, as well as in the buns, bread and cakes categories, along with a sequential improvement in the sweet baked goods category. This was offset by pressure in the salty snacks and confectionery categories, as well as in the convenience, vending, wholesale and foodservice channels related to the COVID-19.



MEXICO

LATIN AMERICA⁸



Third quarter Net Sales grew 10.1% in Latin America mainly attributable to strong performance of the bread and tortillas categories, as well as the retail channel across the region, notably in the *Latin Centro* division, Peru, Brazil and Chile. Results were also benefited by FX rates and were partially offset by weak results in Argentina primarily in the frozen category.

Sales in EAA for the third quarter rose 20.7%, mainly driven by favorable FX rates and growth in the QSR business and in the U.K. In addition, the bread and buns categories posted strong results throughout the region. This was offset by weak performance in Iberia, which was negatively affected by the COVID-19 crisis.



EAA⁹

GROSS PROFIT (MILLIONS OF MEXICAN PESOS)

	Gross Profit			Gross Margin (%)		
	3Q20	3Q19	% Change	3Q20	3Q19	Chg. pp.
North America	26,290	20,179	30.3	56.7	53.7	3.0
Mexico	14,170	14,385	(1.5)	54.4	55.6	(1.2)
Latin America	3,419	3,134	9.1	44.8	45.2	(0.4)
EAA	2,876	2,444	17.7	35.6	36.5	(0.9)
Grupo Bimbo	46,191	39,526	16.9	53.8	52.8	1.0

Consolidated results exclude inter-company transactions.

Consolidated Gross Profit increased 16.9% with a margin expansion of 100 basis points, attributable to the strong sales performance, lower raw material costs and indirect costs, the latter due to past investments and restructuring initiatives implemented across the Company.

8. Latin America region includes operations in Central and South America.
9. EAA region includes operations in Europe, Asia and Africa.

OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

	Operating Income			Operating Margin (%)		
	3Q20	3Q19	% Change	3Q20	3Q19	Chg. pp.
North America	4,651	1,684	>100	10.0	4.5	5.5
Mexico	3,683	4,263	(13.6)	14.1	16.5	(2.4)
Latin America	40	(186)	NA	0.5	(2.7)	3.2
EAA	57	13	>100	0.7	0.2	0.5
Grupo Bimbo	7,945	5,411	46.8	9.3	7.2	2.1

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

Operating Income improved by 46.8% from the prior year, with a 210 basis points expansion in the margin due to strong sales performance, lower cost of sales and lower "other expenses", the latter was mainly related to the MEPP's charge registered during the third quarter of 2019. This was partially offset by COVID-19 related expenses in every region.

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

	Adj. EBITDA			Adj. EBITDA Margin (%)		
	3Q20	3Q19	% Change	3Q20	3Q19	Chg. pp.
North America	6,675	4,712	41.7	14.4	12.5	1.9
Mexico	4,635	5,284	(12.3)	17.8	20.4	(2.6)
Latin America	485	230	>100	6.4	3.3	3.1
EAA	536	411	30.5	6.6	6.1	0.5
Grupo Bimbo	12,110	10,270	17.9	14.1	13.7	0.4

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

Adjusted EBITDA, which includes the effect of the implementation of IFRS16 for both periods, increased 17.9%, while the margin expanded 40 basis points attributable to the strong operating performance mainly in North America and Latin America.

NORTH AMERICA

The **Adjusted EBITDA margin expansion of 190 basis points** was mainly due to strong sales performance coupled with favorable commodity costs and productivity savings, this was partially offset by COVID-19 related expenses.

MEXICO

In Mexico, the **margin contracted 260 basis points**, reflecting the abovementioned sales mix performance and one-time expenses related to the coronavirus pandemic.

LATIN AMERICA

Latin America Adjusted EBITDA margin expanded 310 basis points mainly on the back of strong sales performance and productivity savings captured throughout the region.

EAA

EAA posted a 50 basis points expansion in the margin mostly because of a better performance in China including lower integration expenses.

COMPREHENSIVE FINANCIAL RESULT

(MILLIONS OF MEXICAN PESOS)

Comprehensive Financial Result totaled Ps. 2.1 billion in the period, compared to Ps. 2.0 billion in the same period of last year, the increase mainly reflected higher interest expenses due to an unfavorable FX rate.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

	Net Majority Income			Net Majority Margin (%)		
	3Q20	3Q19	% Change	3Q20	3Q19	Chg. pp.
Grupo Bimbo	3,579	1,930	85.4	4.2	2.6	1.6

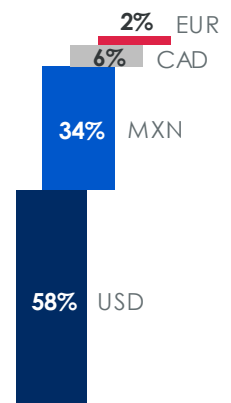
Net Majority Income rose 85.4% and the margin expanded 160 basis points attributable to the strong operating performance across the Company.

FINANCIAL STRUCTURE

Total Debt at September 30, 2020 was Ps. 97 billion, compared to Ps. 87 billion on December 31, 2019. The Ps. 10 billion increase was attributable to the depreciation of the Mexican peso.

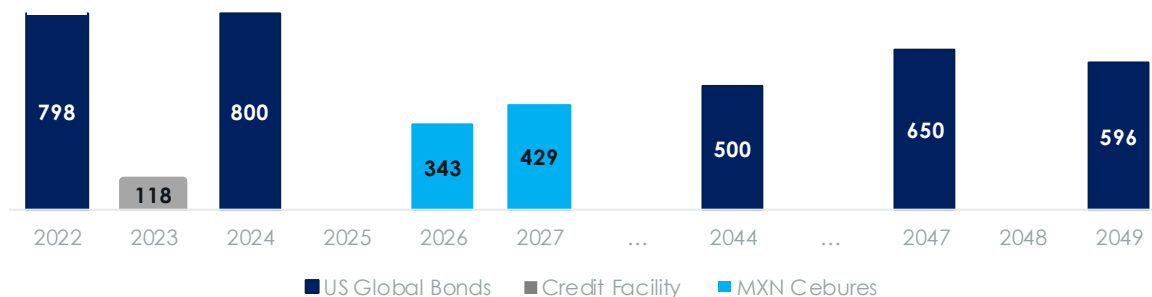
Average debt maturity was 13.3 years with an average cost of 5.7%. Long-term debt comprised 99% of the total; 58% of the debt was denominated in US dollars, 34% in Mexican pesos, 6% in Canadian dollars and 2% in Euros.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 2.2 times compared to 2.4 times at December 31, 2019.



AMORTIZATION PROFILE¹⁰

(MILLIONS OF US DOLLARS)



RECENT EVENTS

- **Grupo Bimbo announced the cancellation of 169,441,413 shares in accordance with the resolution of the Extraordinary General Shareholders Meeting held on October 19th.** These shares were acquired as part of Grupo Bimbo's buyback program and represented nearly 4% of the total shares outstanding. As a result, the Company now has 4,533,758,587 shares outstanding and holds 3,115,823 shares in treasury from recent buybacks. The Company still has \$8.9 billion pesos approved in the legal reserve for future buybacks.

Grupo Bimbo has been proactively managing its capital structure to increase shareholder value and reinforce its commitment for sustainable long-term value.

- **Grupo Bimbo organized virtually the 2020 Global Energy Race, and due to everyone's participation, more than 6 million slices of bread will be donated to food banks in host cities.**

Grupo Bimbo will donate 20 slices of bread per person registered. This year, over 300,000 participants joined the race at no cost, and helped donating more than ever.

- **Grupo Bimbo acquired the majority stake in its JV, Blue Label Mexico.** This business provides a wide range of services to small merchandisers in Mexico, such as sale of electronic airtime, bill payments, payments with credit, debit and food vouchers and cash back transactions.

Grupo Bimbo's commercial brand is *Qiubo* and with this transaction The Company aims to promote growth and productivity in the traditional channel using the technology.

¹⁰. Does not include US\$ 95 million debt at subsidiary level.



CONFERENCE CALL INFORMATION

DIAL-IN

A conference call will be held today Wednesday, October 21, 2020 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

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/press-events/events

REPLAY

A replay will be available until August 3, 2020. You can access the replay through Grupo Bimbo's website

www.grupobimbo.com/en/investors/press-events/events or by dialing:

US +1 (877) 344 7529

International +1 (412) 317 0088

Canada +1 (855) 669 9658

Conference ID: 10148127

ABOUT GRUPO BIMBO

Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 197 plants and around 1,700 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, English muffins, bagels, tortillas & flatbreads, salty 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 more than 2.8 million points of sale, around 53,000 routes and more than 135,000 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)

	Sep, 2020	Dec, 2019	Change %
TOTAL ASSETS	331,367	279,081	18.7%
CURRENT ASSETS	54,835	44,197	24.1%
Cash and Equivalents	12,032	6,251	92.5%
Accounts and Notes Receivables, Net	27,847	26,198	6.3%
Inventories	11,790	9,819	20.1%
Other Current Assets	3,167	1,929	64.2%
Property, Machinery and Equipment, Net	94,717	84,341	12.3%
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	140,310	118,600	18.3%
Right of Use Lease	30,395	25,550	19.0%
Other Assets	11,110	6,392	73.8%
TOTAL LIABILITIES	237,871	200,770	18.5%
CURRENT LIABILITIES	63,792	54,620	16.8%
Trade Accounts Payable	25,335	24,169	4.8%
Short-term Debt	961	5,408	(82.2%)
Short-term liability for leasing	5,334	4,599	16.0%
Other Current Liabilities	32,163	20,443	57.3%
Long-term Debt	95,710	81,264	17.8%
Long-term liability for leasing	24,863	20,741	19.9%
Other Long-term Non-Financial Liabilities	53,506	44,145	21.2%
STOCKHOLDER'S EQUITY	93,496	78,311	19.4%
Minority Stockholder's Equity	4,560	4,575	(0.3%)
Majority Stockholder's Equity	88,937	73,737	20.6%

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF MEXICAN PESOS)

	3Q20	3Q19	Change %
Net Sales	85,800	74,851	14.6%
Cost of Goods Sold	39,610	35,325	12.1%
GROSS PROFIT	46,191	39,526	16.9%
General Expenses	36,632	31,864	15.0%
Other Expenses (Income), Net	1,613	2,251	(28.3%)
OPERATING INCOME	7,945	5,411	46.8%
Comprehensive Financing Cost	2,128	2,003	6.2%
Interest Paid Net	2,080	1,866	11.5%
Exchange Rate Loss (Gain)	51	105	(51.9%)
Monetary Loss (Gain)	(3)	31	>(100%)
Share in Results of Associated Companies	78	70	NA
INCOME BEFORE TAXES	5,896	3,478	69.5%
Income Taxes	2,025	1,305	55.1%
PROFIT BEFORE DISCONTINUED OPERATIONS	3,871	2,173	78.2%
Net Minority Income	291	242	20.2%
NET MAJORITY INCOME	3,579	1,930	85.4%
ADJUSTED EBITDA	12,110	10,270	17.9%