



GRUPO BIMBO

REPORTS

FIRST QUARTER 2019 RESULTS

MEXICO CITY, APRIL 30, 2019

"We started 2019 coming off a record year in which we set a better position to face the tough environment, delivering growth and profitability."

-Daniel Servitje, Chairman and CEO

"In a quarter marked with challenges in our markets, we have seen synergies and efficiencies coming through towards our long-term strategy, capitalizing opportunities and allowing us to keep improving."

-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 March 31st, 2019.¹

HIGHLIGHTS OF THE QUARTER

- Net sales rose 3.6% due to organic growth mainly in Mexico, FX rate benefit and the acquisitions completed during the last twelve months
- Adjusted EBITDA increased 6.6% while the margin expanded 30 basis points, primarily attributable to sales growth and good operating performance in North America and EAA
- Operating income rose 10.9% with a 40 basis point expansion in the margin on the back of savings in the supply chain
- Net majority income grew 1.5%, including an impact of Ps. 190 million due to the IFRS 16 effect

RECENT DEVELOPMENTS

- The Company adopted IFRS 16 to its financial statements
- For the third consecutive year, Grupo Bimbo was honored as one of the "World's Most Ethical Companies", and was also the only Mexican business receiving this recognition

FINANCIAL SUMMARY

	1Q19	1Q18	Change
Net Sales	69,573	67,149	3.6%
Operating Income	4,620	4,168	10.9%
Adj. EBITDA ²	6,933	6,505	6.6%
Adj. EBITDAR ³	7,985	-	NA
Net Majority Income	1,318	1,298	1.5%
Total Debt/Adj. EBITDA ²	2.8x	3.2x	(0.4x)
ROE	7.5%	7.3%	0.2pp

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 MEPPs.

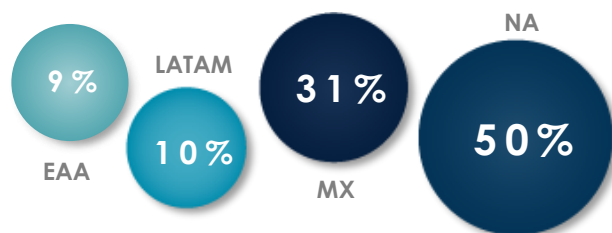
3. Earnings before interests, taxes, depreciation, amortization, rent, impairments and MEPPs.

NET SALES

(MILLIONS OF MEXICAN PESOS)

	1Q19	1Q18	% Change
Mexico	25,619	24,603	4.1
North America	32,830	32,043	2.5
Latin America	6,727	6,833	(1.6)
EAA	6,468	6,095	6.1
Grupo Bimbo	69,573	67,149	3.6

Consolidated results exclude inter-company transactions.



First quarter net sales rose 3.6%, on the back of good organic performance mainly in Mexico and, to a lesser extent, the FX rate benefit and the acquisitions completed during the last twelve months.

MEXICO⁴

Net sales in Mexico rose 4.1%, driven by good results in the bread, buns and cakes categories. Outperformance of *Medias Noches* buns and the *Bimbo Cero Cero* bread brand also contributed to growth. These results were partially offset by an intercompany commercial strategy implemented between subsidiaries of Mexico and the U.S.



NORTH AMERICA⁵

Net sales increased 2.5% benefited primarily by FX rate. Canada reflected a good volume performance especially in the bread and cakes categories and, in the U.S., increasing prices and growth in strategic brands along with the sweet baked goods and snacks categories also contributed to the performance. This was partially offset by weak volumes across the private label and the breakfast categories.



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

LATIN AMERICA⁶

First quarter net sales decreased 1.6% due to an unfavorable impact of FX rates, a weak consumption environment in Argentina and challenging conditions in Brazil. This was mainly compensated by good results in Chile, Colombia, Peru and the Central American division specifically in the sweet baked goods and cookies categories.



EAA⁷

Sales in the first quarter rose 6.1%, mainly driven by the acquisition of Mankattan, outperformance of the QSR business and FX rate benefit. This was partially offset by weak volumes in Iberia, particularly in the sweet baked category.



GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

	Gross Profit			Gross Margin (%)		
	1Q19	1Q18	% Change	1Q19	1Q18	Chg. pp.
Mexico	14,279	13,724	4.0	55.7	55.8	(0.1)
North America	17,623	17,015	3.6	53.7	53.1	0.6
Latin America	3,007	3,245	(7.3)	44.7	47.5	(2.8)
EAA	2,384	2,310	3.2	36.9	37.9	(1.0)
Grupo Bimbo	36,708	35,691	2.8	52.8	53.2	(0.4)

Consolidated results exclude inter-company transactions.

Consolidated gross profit increased 2.8% with a margin contraction of 40 basis points to 52.8%. This was mainly attributable to higher labor and raw material costs.

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

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

OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

	Operating Income			Operating Margin (%)		
	1Q19	1Q18	% Change	1Q19	1Q18	Chg. pp.
Mexico	3,492	3,388	3.1	13.6	13.8	(0.2)
North America	1,661	1,223	35.8	5.1	3.8	1.3
Latin America	(264)	31	NA	(3.9)	0.5	(4.4)
EAA	(37)	(342)	(89.1)	(0.6)	(5.6)	5.0
Grupo Bimbo	4,620	4,168	10.9	6.6	6.2	0.4

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

Operating income increased 10.9% from the prior year, with a 40 basis point expansion in the margin, mainly due to lower administrative expenses arising from restructuring initiatives previously implemented in North America and cut-costs initiatives such as Zero Based Budgeting. These factors were slightly offset by the increase in the cost of sales.

MEXICO

In Mexico, the contraction of 20 basis points in the operating margin was primarily attributed to higher distribution expenses and the abovementioned intercompany commercial strategy.

NORTH AMERICA

The 130 basis points expansion in the operating margin in North America was due to savings coming from the Voluntary Separation Program ("VSP") in the U.S. and the organizational restructuring initiative implemented in Canada, in addition to the aforementioned intercompany commercial strategy within Mexico and the U.S. This was partially offset by higher restructuring expenses in the U.S. related to route restructuring initiatives and the closure of the Detroit Bays plant.

LATIN AMERICA

Latin America operating margin contracted 440 basis points mainly on the back of complicated macroeconomic conditions in Argentina and a challenging environment in Brazil, as well as higher labor and raw materials costs in the region. These factors were somewhat offset by positive performance in Chile, Colombia, Peru and the Central America division.

EAA

EAA had a significant 500 basis points expansion in the operating margin mostly because of the synergies achieved from the acquisition of Donuts Iberia, lower integration expenses in Iberia and strong performance of the QSR business.

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

	Adj. EBITDA			Adj. EBITDA Margin (%)		
	1Q19	1Q18	% Change	1Q19	1Q18	Chg. pp.
Mexico	4,009	3,926	2.1	15.6	16.0	(0.4)
North America	2,849	2,358	20.9	8.7	7.4	1.3
Latin America	17	360	(95.2)	0.3	5.3	(5.0)
EAA	288	(6)	>100	4.5	(0.1)	4.4
Grupo Bimbo	6,933	6,505	6.6	10.0	9.7	0.3

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

Adjusted EBITDA increased 6.6%, while the margin expanded 30 basis points on the back of strong operating performance in North America and EAA, shifting to a positive result.

COMPREHENSIVE FINANCIAL RESULT

(MILLIONS OF MEXICAN PESOS)

Comprehensive Financial Result totaled Ps. 2,039 million in the period, compared to Ps. 1,610 million in the last year, the increase mainly reflects a higher interest rate due to an effect of Ps. 238 million because of the adoption of IFRS 16 in the financial statements, as well as to the change in currency mix.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

	Net Majority Income			Net Majority Margin (%)		
	1Q19	1Q18	% Change	1Q19	1Q18	Chg. pp.
Grupo Bimbo	1,318	1,298	1.5	1.9	1.9	0.0

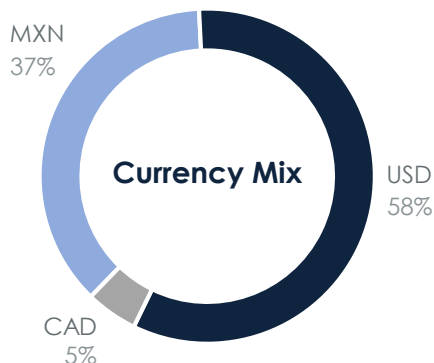
Net majority income rose 1.5% including an impact of Ps. 190 million due to the IFRS 16 effect, and the net margin remained flat at 1.9%. The positive operating performance was offset by the abovementioned higher financing costs.

FINANCIAL STRUCTURE

Total debt at March 31, 2019 was Ps. 90 billion, compared to Ps. 89.8 billion on December 31, 2018.

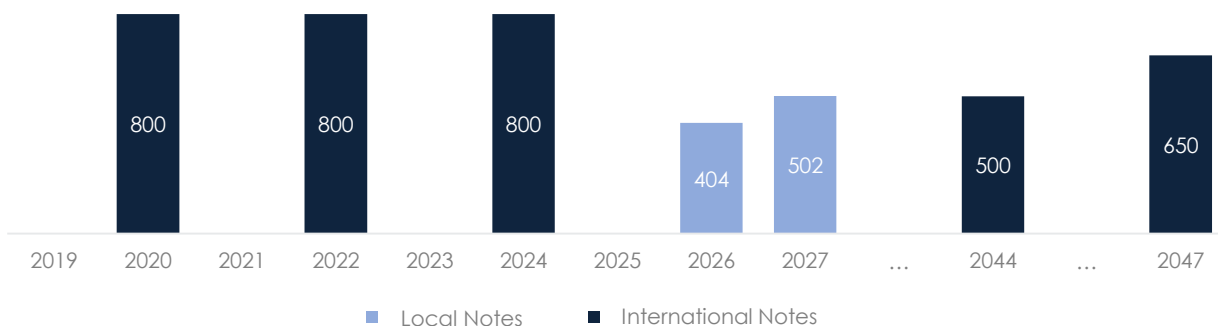
Average debt maturity was 10.3 years with an average cost of 6.0%. Long-term debt comprised 97% of the total; 58% of the debt was denominated in US dollars, 37% in Mexican pesos and 5% in Canadian dollars.

The total debt to adjusted EBITDA ratio, excluding the VSP charge, was 2.8 times, while the net debt to adjusted EBITDA ratio was 2.6 times.



AMORTIZATION PROFILE⁸

(MILLIONS OF US DOLLARS)



RECENT DEVELOPMENTS

- **The Company adopted IFRS 16 to its financial statements.** The International Accounting Standards Board (IASB) issued the accounting model which requires lessees to recognize assets and liabilities for most leases. Refer to the "Leasings" note of the financial statements for more detail.
- **For the third consecutive year, Grupo Bimbo was honored as one of the "World's Most Ethical Companies"** by The Ethisphere Institute and was also the only Mexican business receiving this recognition.

Chairman and CEO, Daniel Servitje commented: "For us, integrity is defined beyond compliance with the law in each of the 32 countries in which we operate. It is the essence of all decisions we make, and actions implemented in each of our geographies."

8. Does not include debt at the subsidiary level of US\$207 million.



CONFERENCE CALL INFORMATION

DIAL-IN

A conference call will be held on Thursday, May 2, 2019 at 11:00 am Eastern (10:00 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

REPLAY

A replay will be available until May 9,

2019. 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: 10129826

WEBCAST

A webcast for this call can also be accessed at Grupo Bimbo's website:

www.grupobimbo.com/en/investors/

ABOUT GRUPO BIMBO

Grupo Bimbo is the largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 198 plants and more than 1,700 sales centers strategically located in 32 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 more than 3.2 million points of sale, around 60,000 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

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(5255) 5268 6830

CONSOLIDATED BALANCE SHEET

BALANCE SHEET (MILLIONS OF MEXICAN PESOS)	2019 Jan	2018 Dec	Change %
TOTAL ASSETS	282,492	263,317	7.3%
CURRENT ASSETS	45,988	44,852	2.5%
Cash and Equivalents	7,105	7,584	(6.3%)
Accounts and Notes Receivables, Net	27,177	25,942	4.8%
Inventories	8,990	9,340	(3.8%)
Other Current Assets	2,717	1,987	36.7%
Property, Machinery and Equipment, Net	86,154	87,243	(1.2%)
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	122,264	123,914	(1.3%)
Right of Use Lease	21,774	-	NA
Other Assets	6,312	7,307	(13.6%)
TOTAL LIABILITIES	198,414	178,743	11.0%
CURRENT LIABILITIES	53,150	50,612	5.0%
Trade Accounts Payable	19,275	21,983	(12.3%)
Short-term Debt	2,340	1,153	>100
Short-term liability for leasing	3,775	-	NA
Other Current Liabilities	27,760	27,477	1.0%
Long-term Debt	87,667	88,693	(1.2%)
Long-term liability for leasing	18,153	-	NA
Other Long-term Non Financial Liabilities	39,443	39,438	0.0%
STOCKHOLDER'S EQUITY	84,078	84,574	(0.6%)
Minority Stockholder's Equity	4,824	4,885	(1.3%)
Majority Stockholder's Equity	79,254	79,688	(0.5%)

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (MILLIONS OF MEXICAN PESOS)	1Q19	1Q18	Change %
Net Sales	69,573	67,149	3.6%
Cost of Goods Sold	32,866	31,458	4.5%
GROSS PROFIT	36,708	35,691	2.8%
General Expenses	31,347	30,820	1.7%
Other Expenses (Income), Net	740	704	5.2%
OPERATING PROFIT	4,620	4,167	10.9%
Integral Cost of Financing	2,039	1,610	26.6%
Interest Paid Net	1,961	1,567	25.1%
Exchange Rate Loss (Gain)	78	43	81.4%
Monetary Loss (Gain)	1	0	-
Equity in Results of Associated Companies	(111)	(40)	
INCOME BEFORE TAXES	2,692	2,597	3.6%
Income Taxes	1,106	1,034	7.0%
PROFIT BEFORE DISCONTINUED OPERATIONS	1,585	1,563	1.4%
Net Minority Income	268	265	0.8%
NET MAJORITY INCOME	1,318	1,298	1.5%
ADJUSTED EBITDA	6,933	6,505	6.6%
ADJUSTED EBITDAR	7,985	-	NA