

GRUPO BIMBO

REPORTS FOURTH QUARTER AND FULL YEAR 2020 RESULTS

MEXICO CITY, FEBRUARY 24, 2021



“2020 was a remarkable year for Grupo Bimbo, evidenced by record financial results and market share gains, despite a challenging environment. Today, I can see the results of 75 years of creation and progress, because thanks to our global leadership in an essential industry, the hard work of our associates, our geographic, channel and category diversification, our brands and our production capabilities, we were able to proudly serve our consumers during this time of disruption and extraordinary demand.”

-Daniel Servitje, Chairman and CEO

“In 2020 we reached record levels for Net Sales and Adjusted EBITDA, we doubled our Gross Cash Flow and reached the lowest leverage of the past 10 years. We start 2021 stronger than ever and despite the tough comparable, we are ready to continue strengthening our financial position.”

-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, 2020.¹

HIGHLIGHTS OF THE QUARTER

Grupo Bimbo posted record Net Sales for a fourth quarter and full year	Cumulative Gross Cash ³ Flow doubled closing the year with Ps. \$31.8 billion
Adjusted EBITDA ² reached record levels for a fourth quarter and full year	Net Debt/ Adjusted EBITDA ratio closed at 1.9x, the lowest level in ten years
Net Majority Income increased 58.4%, the margin expanded 100 basis points and the ROE improved by 310 basis points reaching 12.4%	IRI named Grupo Bimbo the fastest growing large consumer products company in the USA

RECENT EVENTS

- Grupo Bimbo increased its global use of renewable electricity from 49% to 80%, progressing in their commitment to achieve 95% renewable electricity by 2023
- The Company signed an agreement with Cerealto Siro Foods to acquire a production plant in Medina del Campo, Spain
- Grupo Bimbo acquired Modern Foods, a leading player in the baking industry in India
- For the fifth year, Ethisphere Institute named Grupo Bimbo as one of the World's Most Ethical Companies in 2021

FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	4Q20	4Q19	Change	2020	2019	Change
Net Sales	84,778	75,457	12.4%	331,051	291,926	13.4%
Gross Profit	45,553	39,289	15.9%	178,443	153,742	16.1%
Operating Income	8,517	6,071	40.3%	25,408	20,419	24.4%
Adjusted EBITDA	12,776	10,808	18.2%	45,193	37,873	19.3%
Net Majority Income	2,890	1,825	58.4%	9,110	6,319	44.2%
Net Debt/Adj. EBITDA ⁴				1.9	2.4	(0.5x)
ROE ⁵				12.4%	9.3%	3.1pp

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. Gross Cash Flow, before CAPEX, acquisitions, dividends and share buybacks.

4. Does not consider the effect of IFRS16.

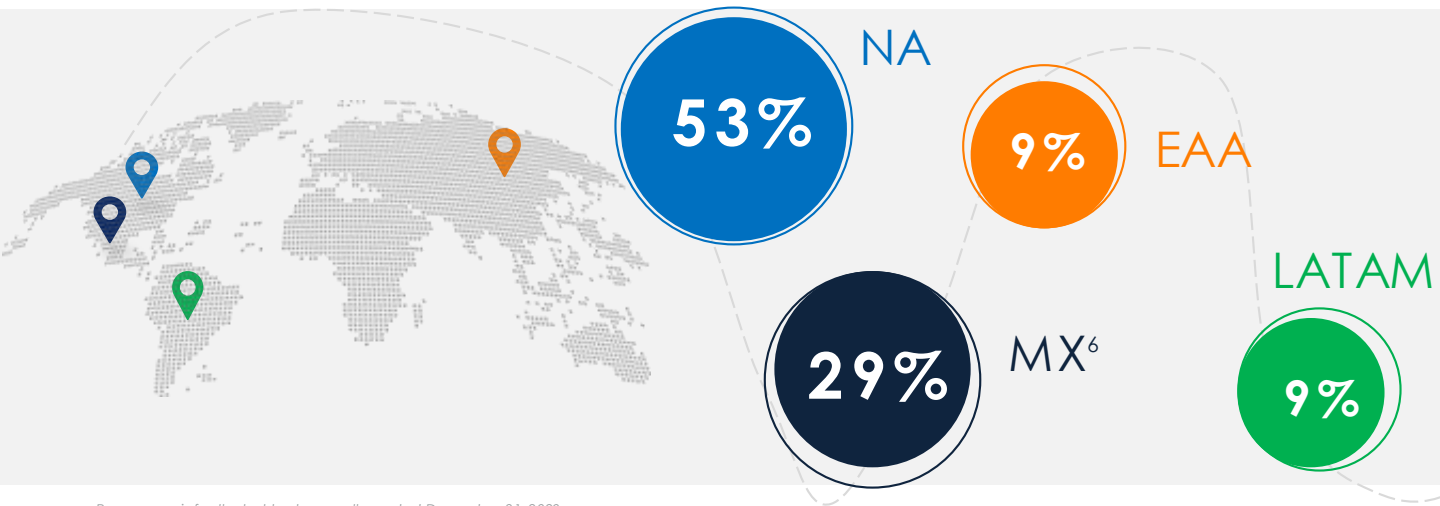
5. Adjusted with the MEPPs non-cash charges.

NET SALES

(MILLIONS OF MEXICAN PESOS)

4Q20	4Q19	% Change	Net Sales	2020	2019	% Change
44,541	37,371	19.2	North America	176,395	144,005	22.5
26,699	26,291	1.6	Mexico	104,593	102,688	1.9
7,315	6,870	6.5	Latin America	29,081	27,144	7.1
8,043	6,859	17.3	EAA	30,029	26,655	12.7
84,778	75,457	12.4	Grupo Bimbo	331,051	291,926	13.4

Consolidated results exclude inter-company transactions.



Fourth quarter Net Sales rose 12.4%, primarily due to favorable price mix and strong volume performance across all regions, as well as FX rate benefit.

For the full year, Net Sales increased 13.4%, mainly due to favorable price mix, strong volume performance and FX rate benefit.

NORTH AMERICA⁷



Fourth quarter Net Sales in North America increased 19.2%, while dollar sales increased 11.3%. This was primarily driven by continued branded growth across all key categories, as well as throughout the retail channel which more than offset the weak results in the foodservice and convenience channels due to the 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 during the fourth quarter grew 1.6% mainly due to improved price mix; the traditional and retail channels outperformed, as did the buns, bread, tortillas, pastries and snacks categories. Volumes have been pressured by the pandemic, especially across the wholesale, convenience and foodservice channels.



MEXICO

LATIN AMERICA⁸



Fourth quarter Net Sales grew 6.5% in Latin America, every region posted sales growth in local currencies, especially Brazil, the *Latin Centro* division and the retail channel, despite the devaluation of the Brazilian real and soft performance in Argentina and Ecuador.

Sales in EAA for the fourth quarter rose 17.3%, mainly driven by strong results in the QSR business, in the bread and buns category in Iberia due to the Paterna plant acquisition completed early in 2020, and in the UK, as well as by FX rate benefit.

EAA⁹



GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

4Q20	4Q19	% Change	Gross Profit	2020	2019	% Change
24,759	19,590	26.4	North America	98,768	76,895	28.4
14,520	14,682	(1.1)	Mexico	57,265	57,280	(0.0)
3,161	2,887	9.5	Latin America	13,090	12,022	8.9
3,037	2,425	25.3	EAA	10,934	9,679	13.0
45,553	39,289	15.9	Grupo Bimbo	178,443	153,742	16.1

4Q20	4Q19	Change pp.	Gross Margin (%)	2020	2019	Change pp.
55.6	52.4	3.2	North America	56.0	53.4	2.6
54.4	55.8	(1.4)	Mexico	54.8	55.8	(1.0)
43.2	42.0	1.2	Latin America	45.0	44.3	0.7
37.8	35.3	2.5	EAA	36.4	36.3	0.1
53.7	52.1	1.6	Grupo Bimbo	53.9	52.7	1.2

Consolidated results exclude inter-company transactions.

Consolidated Gross Profit increased 15.9% during the fourth quarter with a margin expansion of 160 basis points to 53.7% and 120 basis points during the full year, mainly attributable to the strong sales performance and lower raw material costs.

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)

4Q20	4Q19	% Change	Operating Income	2020	2019	% Change
3,644	1,472	>100	North America	11,195	6,094	83.7
4,424	4,698	(5.8)	Mexico	14,976	15,966	(6.2)
(523)	(666)	NA	Latin America	(402)	(1,337)	NA
182	134	35.2	EAA	168	136	23.4
8,517	6,071	40.3	Grupo Bimbo	25,409	20,419	24.4

4Q20	4Q19	Change pp.	Operating Margin (%)	2020	2019	Change pp.
8.2	3.9	4.2	North America	6.3	4.2	2.1
16.6	17.9	(1.3)	Mexico	14.3	15.5	(1.2)
(7.2)	(9.7)	2.5	Latin America	(1.4)	(4.9)	3.5
2.3	2.0	0.3	EAA	0.6	0.5	0.1
10.0	8.0	2.0	Grupo Bimbo	7.7	7.0	0.7

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

In the fourth quarter, the Operating Income improved by 40.3% from the prior year, with a 200 basis points expansion in the margin due to strong sales performance, lower cost of sales and lower integration and restructuring expenses. This was partially offset by COVID-19 related expenses in every region.

For the full year, Operating Income grew 24.4% and the margin expanded 70 basis points, reflecting the strong sales performance, lower cost of sales and lower general, restructuring and integration expenses. This was partially offset by a non-cash charge related to the adjustment of the MEPPs liability applied during the year.

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

4Q20	4Q19	% Change	Adj. EBITDA	2020	2019	% Change
5,910	3,972	48.8	North America	22,694	16,216	39.9
5,715	5,907	(3.3)	Mexico	19,165	19,839	(3.4)
67	(9)	NA	Latin America	1,428	591	>100
938	503	86.5	EAA	2,295	1,667	37.7
12,776	10,808	18.2	Grupo Bimbo	45,193	37,873	19.3

4Q20	4Q19	Change pp.	Adj. EBITDA Margin (%)	2020	2019	Change pp.
13.3	10.6	2.7	North America	12.9	11.3	1.6
21.4	22.5	(1.1)	Mexico	18.3	19.3	(1.0)
0.9	(0.1)	1.0	Latin America	4.9	2.2	2.7
11.7	7.3	4.4	EAA	7.6	6.3	1.3
15.1	14.3	0.8	Grupo Bimbo	13.7	13.0	0.7

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

Fourth quarter Adjusted EBITDA, which includes the effect of the implementation of IFRS16 for both periods, increased 18.2%, while the margin expanded 80 basis points due to the strong operating performance mainly in North America, Latin America and EAA.

2020 Adjusted EBITDA, which includes the effect of the implementation of IFRS16 for both periods, increased 19.3% and the margin expanded 70 basis points to 13.7% on the back of the strong operating performance primarily in North America, EAA and Latin America.

NORTH AMERICA

For the fourth quarter, the Adjusted EBITDA margin expansion of 270 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 fourth quarter margin contraction reflected the abovementioned sales mix performance and one-time expenses related to the coronavirus pandemic.

LATIN AMERICA

Latin America switched to a positive Adjusted EBITDA and the fourth quarter margin expanded 100 basis points, mainly on the back of strong sales performance and productivity savings captured throughout the region.

EAA

EAA posted a 440 basis points expansion in the margin during the fourth quarter, mostly because of strong operating performance in Iberia, Bimbo QSR and UK.

COMPREHENSIVE FINANCIAL RESULT

(MILLIONS OF MEXICAN PESOS)

Comprehensive Financial Result totaled Ps. 2,991 million in the fourth quarter, compared to Ps. 2,529 million in the fourth quarter of 2019, the increase mainly reflected higher interest expenses due to an unfavorable FX rate.

During the full year, Comprehensive Financial Result totaled Ps. 8,859 million, compared to Ps. 8,560 million in 2019, the increase mainly reflected higher interest expenses due to an unfavorable FX rate.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

4Q20	4Q19	% Change	Net Majority Income	2020	2019	% Change
2,890	1,825	58.4	Grupo Bimbo	9,110	6,319	44.2

4Q20	4Q19	Change pp.	Net Majority Margin (%)	2020	2019	Change pp.
3.4	2.4	1.0	Grupo Bimbo	2.8	2.2	0.6

Net Majority Income for the fourth quarter rose 58.4% and the margin expanded 100 basis points attributable to the strong operating performance across the Company.

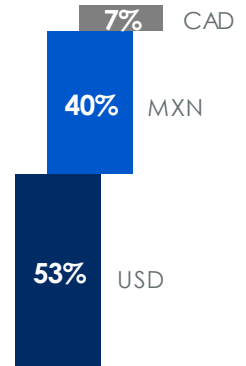
Net Majority Income for 2020 rose 44.2% and the margin expanded 60 basis points attributable to the strong operating performance across the Company and a lower effective tax rate of 37%.

FINANCIAL STRUCTURE

Total Debt at December 31, 2020 was Ps. 85 billion, compared to Ps. 87 billion on December 31, 2019. The Ps. 2 billion decrease was attributable to debt prepayment due to the strong cash flow generation despite the FX adverse effect.

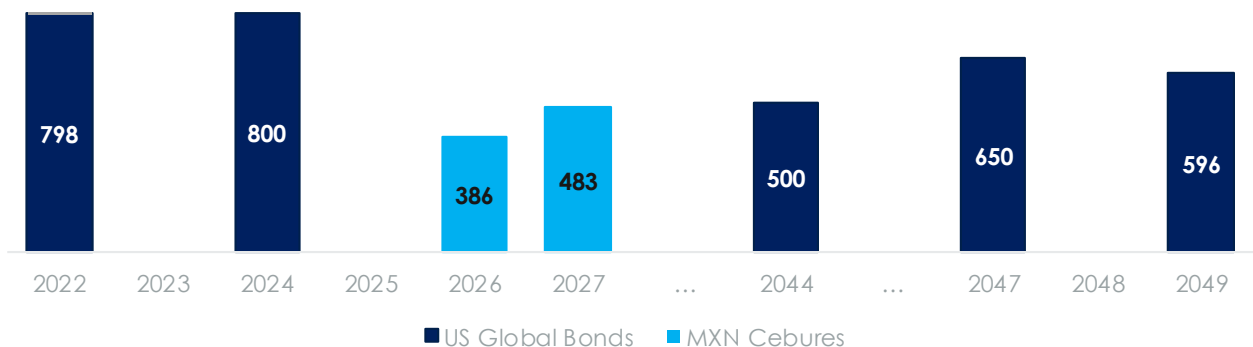
Average debt maturity was 13.2 years with an average cost of 6.1%. Long-term debt comprised 99% of the total; 53% of the debt was denominated in US dollars, 40% in Mexican pesos and 7% in Canadian dollars.

The Net Debt to Adjusted EBITDA ratio, which does not consider the effect of IFRS16, was 1.9 times compared to 2.4 times at December 31, 2019.



AMORTIZATION PROFILE¹⁰

(MILLIONS OF US DOLLARS)



¹⁰. Does not include US\$ 86 million debt at subsidiary level.

RECENT EVENTS

- **Grupo Bimbo signed an agreement with Cerealto Siro Foods to acquire a production plant in Medina del Campo, Spain.** This state-of-the-art plant is dedicated to manufacture sweet baked goods for Mercadona and other customers, and it allows the Company to enter the sweet baked goods private label market in Spain. This transaction is subject to regulatory approval.
- **Grupo Bimbo acquired Modern Foods, a leading player in the baking industry in India.** Modern Foods is the market leader in South India, it manufactures and distributes baking products in its seven plants. This acquisition strengthens and expands Grupo Bimbo's geographical presence in India, as its current product portfolio and manufacturing footprint complement exceptionally well with the long-term strategy to grow in India.
- **For the fifth year, Ethisphere Institute named Grupo Bimbo one of the World's Most Ethical Companies in 2021.** This honor is reserved for a select number of companies with exceptional programs and a commitment to advancing business integrity.

CONFERENCE CALL INFORMATION

DIAL-IN

A conference call will be held today Wednesday, February 24, 2021 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

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 March 3, 2021. 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: 10151572



ABOUT GRUPO BIMBO

Grupo Bimbo is the leader and largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 203 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, more than 53,000 routes and over 133,000 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)

	2020	2019	Change %
TOTAL ASSETS	307,650	279,081	10.2%
CURRENT ASSETS	50,602	44,197	14.5%
Cash and Equivalents	9,268	6,251	48.3%
Accounts and Notes Receivables, Net	27,487	26,198	4.9%
Inventories	10,893	9,819	10.9%
Other Current Assets	2,954	1,929	53.2%
Property, Machinery and Equipment, Net	91,248	84,341	8.2%
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	127,419	118,600	7.4%
Right of Use Lease	29,163	25,550	14.1%
Other Assets	9,218	6,392	44.2%
TOTAL LIABILITIES	219,639	200,770	9.4%
CURRENT LIABILITIES	61,592	54,620	12.8%
Trade Accounts Payable	28,013	24,169	15.9%
Short-term Debt	600	5,408	(88.9%)
Short-term liability for leasing	5,153	4,599	12.0%
Other Current Liabilities	27,827	20,443	36.1%
Long-term Debt	84,629	81,264	4.1%
Long-term liability for leasing	23,936	20,741	15.4%
Other Long-term Non-Financial Liabilities	49,482	44,145	12.1%
STOCKHOLDER'S EQUITY	88,011	78,311	12.4%
Minority Stockholder's Equity	4,298	4,575	(6.1%)
Majority Stockholder's Equity	83,713	73,737	13.5%

CONSOLIDATED INCOME STATEMENT

(MILLIONS OF MEXICAN PESOS)

	4Q20	4Q19	Change %	2020	2019	Change %
Net Sales	84,778	75,457	12.4%	331,051	291,926	13.4%
Cost of Goods Sold	39,225	36,168	8.5%	152,608	138,184	10.4%
GROSS PROFIT	45,553	39,289	15.9%	178,443	153,742	16.1%
General Expenses	36,721	31,730	15.7%	145,894	126,876	15.0%
Other Expenses (Income), Net	315	1,488	(78.8%)	7,141	6,448	10.7%
OPERATING INCOME	8,517	6,071	40.3%	25,408	20,419	24.4%
Comprehensive Financing Cost	2,991	2,529	18.3%	8,859	8,560	3.5%
Interest Paid Net	2,657	2,317	14.6%	9,037	8,000	13.0%
Exchange Rate Loss (Gain)	381	158	>100%	(108)	446	NA
Monetary Loss (Gain)	(47)	54	NA	(71)	114	NA
Share in Results of Associated Companies	(7)	117	NA	194	249	(22.1%)
INCOME BEFORE TAXES	5,519	3,659	50.8%	16,744	12,108	38.3%
Income Taxes	2,055	1,548	32.8%	6,193	4,733	30.9%
PROFIT BEFORE DISCONTINUED OPERATIONS	3,464	2,112	64.0%	10,551	7,375	43.1%
Net Minority Income	574	287	100.1%	1,440	1,057	36.3%
NET MAJORITY INCOME	2,890	1,825	58.4%	9,110	6,319	44.2%
ADJUSTED EBITDA	12,776	10,808	18.2%	45,193	37,873	19.3%