



GRUPO BIMBO

REPORTS

FOURTH QUARTER AND FULL YEAR

2018 RESULTS

MEXICO CITY, FEBRUARY 21, 2019

"We closed the year with record-breaking levels of net sales, gross profit, operating income and adjusted EBITDA, positioning us as a stronger and leaner Company that will continue to create value and serve our consumers."

-Daniel Servitje, Chairman and CEO

"The Company's solid financial position and robust results reflect top line growth and the underlying strength of our businesses following a period of investments in restructuring."

-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 31, 2018.¹

HIGHLIGHTS OF THE QUARTER

- Net sales rose 7.6%, primarily on the back of strong performance in Mexico and North America
- Adjusted EBITDA increased 25.8%, while the margin expanded 180 basis points
- Operating income increased 40.1% from the prior year, with a 190 basis point expansion in the margin
- Net majority income increased nearly six times and the margin expanded 270 basis points

RECENT DEVELOPMENTS

- In early 2019, Grupo Bimbo opened its doors to 2,000 “Youth Building the Future” in Mexico
- Grupo Bimbo became the first Company in Mexico to produce Clean Energy Certificates for Distributed Generation
- Grupo Bimbo completed the acquisition of Nutra Bien, a Chilean sweet baked goods company

FINANCIAL SUMMARY

(MILLIONS OF MEXICAN PESOS)

	4Q18	4Q17	Change	2018	2017	Change
Net Sales	76,309	70,931	7.6%	288,266	267,515	7.8%
Operating Income	6,191	4,420	40.1%	18,509	17,472	5.9%
Adjusted EBITDA ²	9,441	7,507	25.8%	31,705	27,288	16.2%
Net Majority Income	2,515	427	>100%	5,808	4,630	25.4%
Total Debt/Adj. EBITDA ^{2,3}	2.8x	3.4x	(0.6x)	2.8x	3.4x	(0.6x)
ROE				7.7%	6.8%	0.9pp

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

2. Adj. EBITDA for the last twelve months as of December 31st, 2018, excludes the non-cash charges related to the VSP and organizational restructuring initiatives implemented in the U.S. and Canada.

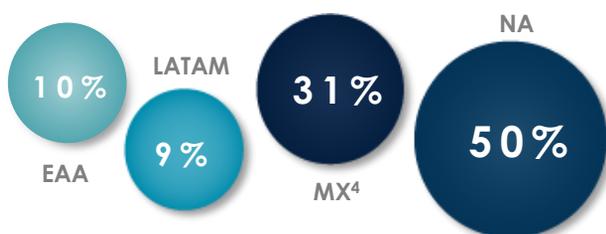
3. Proforma figures including Bimbo QSR EBITDA.

NET SALES

(MILLIONS OF MEXICAN PESOS)

4Q18	4Q17	% Change	Net Sales	2018	2017	% Change
25,254	23,162	9.0	Mexico	99,859	90,367	10.5
38,630	36,295	6.4	North America	143,848	137,662	4.5
7,661	7,290	5.1	Latin America	28,192	28,602	(1.4)
6,839	6,208	10.2	EAA	25,574	18,658	37.1
76,309	70,931	7.6	Grupo Bimbo	288,266	267,515	7.8

Consolidated results exclude inter-company transactions.



Fourth quarter net sales rose 7.6%, primarily attributable to strong sales performance across most regions, notably in Mexico and North America.

MEXICO

Net sales in Mexico rose 9.0%, primarily driven by strong volume growth in every channel especially the traditional, and every category, mainly cakes, buns and sweet baked goods, as well as new product launches such as Bimbo Donuts, a cross-market introduction from Spain. Increased customer reach and outperformance of the Bimbo and Marinela brands also contributed to growth.



NORTH AMERICA⁵

Net sales rose 6.4%, reflecting FX rate benefit and an approximate 2% increase in dollar terms arising from a combination of price increases and growth in strategic brands in the U.S., as well as solid performance in Canada, especially of the bread and salty snacks categories. This was partially offset by weak volumes across the private label category in the U.S.



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

LATIN AMERICA⁶

Fourth quarter net sales increased 5.1%, primarily because of the good outcome in the Central America division, Colombia and Ecuador, as well as strong volume growth in Chile, in part due to the tortillas category. These factors were able to offset the difficult economic conditions and a negative FX effect, mainly in Brazil, Argentina and Uruguay.



EAA⁷

Sales increased 10.2%, predominantly on the back of the acquisition of Mankattan in China, good performance of the bread category in Iberia, healthy growth in the U.K. especially in croissants, and in part due to FX rate benefit; however, in Iberia the sweet baked goods category underperformed.



On a cumulative basis, net sales grew 7.8% mainly from strong sales in Mexico and North America, as well as the acquisitions completed during the year.

GROSS PROFIT

(MILLIONS OF MEXICAN PESOS)

4Q18	4Q17	% Change	Gross Profit	2018	2017	% Change
14,211	13,047	8.9	Mexico	56,031	50,019	12.0
20,472	19,336	5.9	North America	76,780	74,129	3.6
3,301	3,309	(0.3)	Latin America	12,820	13,199	(2.9)
2,484	2,020	22.9	EAA	9,283	6,979	33.0
40,010	37,485	6.7	Grupo Bimbo	152,599	142,821	6.8

4Q18	4Q17	Change pp	Gross Margin (%)	2018	2017	Change pp
56.3	56.3	0.0	Mexico	56.1	55.4	0.7
53.0	53.3	(0.3)	North America	53.4	53.8	(0.4)
43.1	45.4	(2.3)	Latin America	45.5	46.1	(0.6)
36.3	32.5	3.8	EAA	36.3	37.4	(1.1)
52.4	52.8	(0.4)	Grupo Bimbo	52.9	53.4	(0.5)

Consolidated results exclude inter-company transactions.

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

Consolidated gross profit for the fourth quarter increased 6.7%, while the margin contracted 40 basis points mainly due to higher costs of sales.

For 2018, gross profit rose 6.8% while the margin contracted 50 basis points to 52.9% because of higher costs of goods sold in North America and a different business mix in EAA attributable to the incorporation of Bimbo QSR.

OPERATING INCOME

(MILLIONS OF MEXICAN PESOS)

4Q18	4Q17	% Change	Operating Income	2018	2017	% Change
4,471	3,881	15.2	Mexico	15,750	13,753	14.5
2,101	1,841	14.1	North America	5,100	7,701	(33.8)
(304)	(582)	(47.7)	Latin America	(529)	(1,284)	(58.8)
(423)	(638)	(33.7)	EAA	(1,481)	(2,395)	(38.2)
6,191	4,420	40.1	Grupo Bimbo	18,509	17,472	5.9

4Q18	4Q17	Change pp	Operating Margin (%)	2018	2017	Change pp
17.7	16.8	0.9	Mexico	15.8	15.2	0.6
5.4	5.1	0.3	North America	3.5	5.6	(2.1)
(4.0)	(8.0)	4.0	Latin America	(1.9)	(4.5)	2.6
(6.2)	(10.3)	4.1	EAA	(5.8)	(12.8)	7.0
8.1	6.2	1.9	Grupo Bimbo	6.4	6.5	(0.1)

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

Operating income increased 40.1% from the prior year, **with a 190 basis point expansion in the margin** reflecting **strong sales performance, lower general expenses** coming from cost reduction initiatives such as those achieved from restructuring investments like the Voluntary Separation Program ("VSP"), along with route optimization efforts and zero based budgeting, in addition to a lower figure in the "other income and expenses" line due to lower extraordinary expenses. These effects were partially offset by the abovementioned higher costs of goods sold.

MEXICO

The **90 basis point expansion in the operating margin in Mexico** was primarily attributable to strong sales performance, partially offset by higher distribution costs.

NORTH AMERICA

In North America, the **30 basis point expansion** in the margin reflected good sales growth, as well as efficiencies and savings achieved from past restructuring investments, such as the VSP in the U.S. and the organizational restructuring initiative in Canada.

Impairment charges registered during the quarter were caused by the portfolio optimization initiatives being implemented across the U.S., and restructuring expenses were in part related to the closure of the Madison plant in the U.S.

LATIN AMERICA

Operating margin in Latin America expanded 400 basis points when compared with the previous year because none impairment charges were included during the quarter.

Grupo Bimbo classified Argentina as a hyperinflationary economy and started to apply IAS 29 to this business.

EAA

EAA operating income increased 33.7%, while the margin notably improved 410 basis points, primarily on the back of lower general expenses coming from synergies achieved in Iberia and manufacturing efficiencies in the bagel plant in the U.K., which was partially offset by integration expenses in China.

On a cumulative basis, consolidated operating income increased 5.9%, while the margin slightly declined 10 basis points mainly because of the VSP initiative implemented in the U.S. in the second quarter.

ADJUSTED EBITDA

(MILLIONS OF MEXICAN PESOS)

4Q18	4Q17	% Change	Adjusted EBITDA	2018	2017	% Change
5,127	4,509	13.7	Mexico	18,200	15,960	14.0
3,822	3,261	17.2	North America	12,993	12,642	2.8
54	230	(76.4)	Latin America	732	551	32.9
86	(427)	NA	EAA	105	(1,590)	NA
9,441	7,507	25.8	Grupo Bimbo	31,705	27,288	16.2

4Q18	4Q17	Change pp	Adj. EBITDA Margin (%)	2018	2017	Change pp
20.3	19.5	0.8	Mexico	18.2	17.7	0.5
9.9	9.0	0.9	North America	9.0	9.2	(0.2)
0.7	3.2	(2.5)	Latin America	2.6	1.9	0.7
1.3	(6.9)	8.2	EAA	0.4	(8.5)	8.9
12.4	10.6	1.8	Grupo Bimbo	11.0	10.2	0.8

Regional results don't reflect inter-company royalties and consolidated results exclude inter-company transactions.

Adjusted EBITDA increased 25.8% with a 180 basis points margin expansion. North America and Mexico grew substantially, reaching record levels, while EAA swung to a positive result.

In 2018, the Company reached the highest level of Adjusted EBITDA totaling Ps. 31,705 million.

COMPREHENSIVE FINANCIAL RESULT

(MILLIONS OF MEXICAN PESOS)

Comprehensive Financial Result totaled Ps. 1,714 million in the period, compared to Ps. 1,453 million in the fourth quarter of last year. The 18% increase was mainly explained by the swap from Canadian and U.S. dollar denominated debt to Mexican pesos, which was partially offset by a Ps. 202 million benefit related to the net monetary position in Latin America.

NET MAJORITY INCOME

(MILLIONS OF MEXICAN PESOS)

4Q18	4Q17	% Change	Net Majority Income	2018	2017	% Change
2,515	427	>100	Grupo Bimbo	5,808	4,630	25.4

4Q18	4Q17	Change pp	Net Majority Margin (%)	2018	2017	Change pp
3.3	0.6	2.7	Grupo Bimbo	2.0	1.7	0.3

Net majority income increased nearly six times, while the margin expanded 270 basis points from a combination of the strong operating performance across most of the regions and a lower effective tax rate, which was partially offset by a higher financing cost.

Cumulative net majority income increased 25.4% with a margin expansion of 30 basis points, on the back of strong operating performance and a lower effective tax rate which stood at 41.8% compared to 52.6%, this decline reflected the enactment of the Tax Cuts and Jobs Act ("Tax Reform") in the U.S. implemented on January 1st, 2018, the latter was partially offset by a higher financing cost.

Earnings per share totaled Ps. 1.23, compared to Ps. 0.98 in 2017.

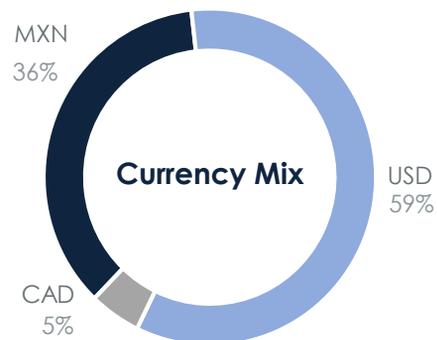
FINANCIAL STRUCTURE

Total debt at December 31st, 2018, was Ps. 89.8 billion, compared to Ps. 93.4 billion on December 31st, 2017. This decrease was predominantly related to the prepayment of US \$123 million outstanding from the revolving credit facility and, to a lesser extent, the repurchase of almost \$450 million pesos in local bonds.

Average debt maturity was 10.6 years with an average cost of 5.97%. Long-term debt comprised 98.7% of the total; 59% of the debt was denominated in US dollars, 36% in Mexican pesos and 5% in Canadian dollars.

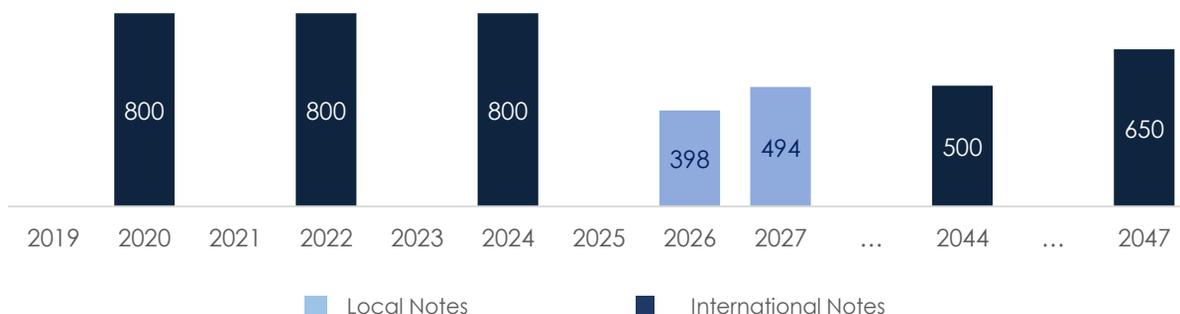
The total debt to adjusted EBITDA ratio, excluding the VSP charge was 2.8 times compared to 3.4 times at December 31st, 2017, while the net debt to adjusted EBITDA ratio was 2.6 times compared to 3.2 times at December 31st, 2017.

The Company invested Ps. 1.2 billion in its share repurchase program, buying back around 30 million shares.



AMORTIZATION PROFILE⁸

(MILLIONS OF U.S. DOLLARS)



8. Does not include debt at the subsidiary level of US\$190 million.

RECENT DEVELOPMENTS

- **On December 7th, 2018, Grupo Bimbo and other private companies signed an agreement with the government to support the growth in Mexico's labor force, opening its doors to 2,000 "Youth Building the Future" in 2019** so that women and men could gain work experience and receive training in the Company's strategic areas. Grupo Bimbo is one of the companies that will take in the most participants each year, which will contribute significantly to the program's objective.
- **The Company completed the acquisition of Alimentos Nutra Bien S.A. ("Nutra Bien")**, a leading Chilean company in sweet baked goods that produces, markets and distributes brownies, cakes, cookies, and other products in one plant. This acquisition complements Grupo Bimbo's current portfolio through top of mind brands and expands its distribution reach, increasing penetration especially in the traditional channel.
- **Grupo Bimbo became the first Company in Mexico to produce Clean Energy Certificates for Distributed Generation.** This initiative, accomplished thanks to the collaboration of private companies and the government, will contribute to achieving Mexico's goal of using 50% renewable energy by 2050. It will also help qualified users and companies from the retail electricity market fulfill their obligation to purchase at least 5% of their energy from clean sources.

CONFERENCE CALL INFORMATION

DIAL-IN

A conference call will be held on Friday, February 22, 2019 at 11:00 am Eastern (10:00 am Central).

To access the call, please dial:
Domestic U.S.: +1 (844) 450 3853
International: +1 (412) 317 6375
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 6, 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: 10128189



ABOUT GRUPO BIMBO

Grupo Bimbo is the largest baking Company in the world and a relevant participant in snacks. Grupo Bimbo has 199 plants and more than 1,800 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, 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 3.3 million points of sale, around 60,000 routes and more than 138,000 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)	2018	2017	Change %
TOTAL ASSETS	263,317	259,249	1.6%
CURRENT ASSETS	44,852	42,489	5.6%
Cash and Equivalents	7,584	7,216	5.1%
Accounts and Notes Receivables, Net	25,942	24,805	4.6%
Inventories	9,340	8,368	11.6%
Other Current Assets	1,987	2,100	(5.4%)
Property, Machinery and Equipment, Net	87,243	82,972	5.1%
Intangible Assets and Deferred Charges, Net and Investment in Shares of Associated Companies	123,914	124,350	(0.4%)
Other Assets	7,307	9,437	(22.6%)
TOTAL LIABILITIES	178,743	182,226	(1.9%)
CURRENT LIABILITIES	50,612	48,655	4.0%
Trade Accounts Payable	21,983	20,631	6.6%
Short-Term Debt	1,153	1,886	(38.9%)
Other Current Liabilities	27,477	26,139	5.1%
Long-Term Debt	88,693	91,546	(3.1%)
Other Long-Term Non Financial Liabilities	39,438	42,025	(6.2%)
STOCKHOLDER'S EQUITY	84,574	77,023	9.8%
Minority Stockholder's Equity	4,885	4,257	14.8%
Majority Stockholder's Equity	79,688	72,766	9.5%

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (MILLIONS OF MEXICAN PESOS)	4Q18	4Q17	Change %	2018	2017	Change %
Net Sales	76,309	70,931	7.6%	288,266	267,515	7.8%
Cost of Goods Sold	36,299	33,446	8.5%	135,667	124,694	8.8%
GROSS PROFIT	40,010	37,485	6.7%	152,599	142,821	6.8%
General Expenses	32,922	31,203	5.5%	127,871	121,189	5.5%
Other Expenses (Income), Net	897	1,861	(51.8%)	6,219	4,160	49.5%
OPERATING PROFIT	6,191	4,420	40.1%	18,509	17,472	5.9%
Integral Cost of Financing	1,714	1,453	17.9%	6,995	5,755	21.6%
Interest Paid Net	1,910	1,652	15.6%	7,283	5,558	31.0%
Exchange Rate Loss (Gain)	6	(198)	NA	(85)	118	NA
Monetary (Gain) Loss	(202)	-	NA	(202)	79	NA
Equity in Results of Associated Companies	-	(43)	NA	(194)	(234)	(17.2%)
INCOME BEFORE TAXES	4,477	3,010	48.8%	11,707	11,951	(2.0%)
Income Taxes	1,739	2,268	(23.3%)	4,897	6,282	(22.1%)
PROFIT BEFORE DISCONTINUED OPERATIONS	2,738	741	269.4%	6,811	5,670	20.1%
Net Minority Income	223	314	(28.9%)	1,003	1,040	(3.6%)
NET MAJORITY INCOME	2,515	427	488.7%	5,808	4,630	25.4%
ADJUSTED EBITDA	9,441	7,507	25.8%	31,705	27,288	16.2%