

GRUPO HERDEZ

FIRST QUARTER 2023

EARNINGS RELEASE

CONSOLIDATED HIGHLIGHTS FOR THE QUARTER

Net Sales	EBIT	Consolidated Net Income	
8.6 billion	1.0 billion	797 million	9.2 %
+21.4%	+25.2%	+71.8%	+2.7pp
	EBITDA		
	1.3 billion		
	+22.3%		

Increases compared to the same period of the previous year



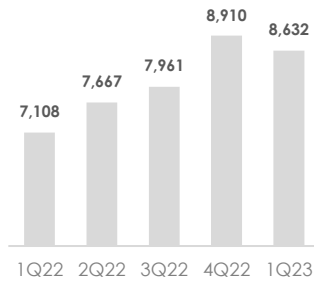
Mexico City, Mexico, April 19, 2023 – Grupo Herdez, S.A.B. de C.V. (“Grupo Herdez” or the “Company”) (MSE: HERDEZ) today announced results for the first quarter ended March 31, 2023.

“The year 2023 begins with better expectations for our margins. Preserves, Impulse and MegaMex businesses show significant improvement compared to the previous year, which makes us optimistic about the coming months, especially considering that inflationary pressure is easing”, said Héctor Hernández-Pons Torres, Chairman and Chief Executive Officer of Grupo Herdez.

The information contained in this document is prepared in accordance with International Financial Reporting Standards (“IFRS”) and is expressed in Mexican pesos unless stated otherwise.

Grupo Herdez consolidates 100 percent of its Impulse division, Barilla Mexico, Herdez Del Fuerte, and McCormick de Mexico in its financial statements. The proportional stake of Herdez Del Fuerte in MegaMex is registered in Equity Investments in Associated Companies.

NET SALES



NET SALES	1Q23	1Q22	% change
Consolidated	8,632	7,108	21.4
Preserves	7,078	5,725	23.6
Impulse	1,002	817	22.6
Exports	552	566	(2.4)

Figures in millions of MXN

Consolidated net sales increased 21.4% in the first quarter to MXN 8.6 billion, mainly benefiting from price increases over the last twelve months, and to a lesser extent, volume increases. In comparable terms – without the acquisition of Mediterranean* – net sales grew 18.9% in the quarter.

Net sales for the quarter in the Preserves segment were MXN 7.1 billion, 23.6% higher than in the same quarter of 2022. Mayonnaise, pasta, tomato purée, and tuna were the outstanding categories in the period. By channel, we saw the institutional and club stores stood out within the portfolio. In comparable terms – without the acquisition of Mediterranean* – net sales grew 21.4%.

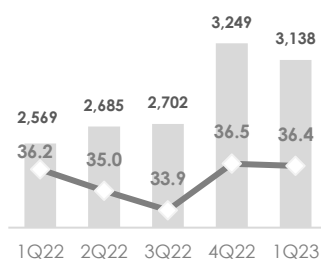
Impulse sales in the quarter grew 22.6% over last year to MXN 1.0 billion. These results come from store traffic recovery, which contributed to a mid-single digit increase in the average ticket for the quarter. At Helados Nestlé, the portfolio optimization strategy and focus on the traditional channel continue to benefit the segment.

Net sales in the Export segment during the quarter were MXN 552 million, 2.4% lower than in the previous year, due to the strength of the Mexican peso against the US dollar. In constant currency, net sales in the segment grew 7.3%



* Mediterranean refers to Interdeli and Deli, Dips & Snacks, owners of Libanius®, Flaveur®, and Liguria®, among other brands, businesses acquired by Herdez Del Fuerte in October 2022.

GROSS PROFIT



GROSS PROFIT	1Q23	1Q22	% change
Consolidated	3,138	2,569	22.1
Preserves	2,487	2,012	23.6
Impulse	590	477	23.8
Exports	60	81	(25.0)

Figures in millions of MXN

GROSS MARGIN	1Q23	1Q22	% change
Consolidated	36.4	36.2	0.2
Preserves	35.1	35.1	(0.0)
Impulse	58.9	58.4	0.5
Exports	11.0	14.3	(3.3)

Figures in percentages

Consolidated gross margin in the quarter was 36.4%, an expansion of 0.2 percentage points compared to the previous year.

In the Preserves segment, gross margin remained flat while in Exports the margin decreased 3.3 percentage points on high prices for key raw materials and an unfavorable sales mix. In the Impulse segment, the margin increased 0.5 percentage points to 58.9%, compared to the same quarter of last year, mainly driven by greater sales in the traditional channel.

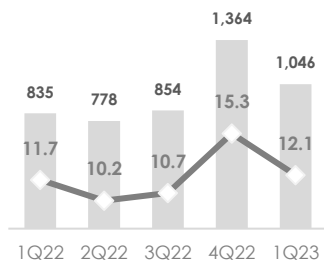
SALES, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

During the quarter, consolidated SG&A was 24.2% of net sales, 0.6 percentage points below the previous year. In Preserves and Impulse, the proportion of SG&A over net sales decreased 0.8 and 2.6 percentage points, respectively, due to operating leverage.

EARNINGS BEFORE INTEREST AND TAXES BEFORE OTHER INCOME AND EXPENSES

EBIT before other income and expenses in the quarter was MXN 1.0 billion, 30.0% higher than that reported in the first quarter of 2022, with a margin expansion of 0.8 percentage points to 12.2%, propelled by 29.4% growth in Preserves and margin expansion of 0.7 percentage points to 16.2%

EARNINGS BEFORE INTEREST AND TAXES (EBIT)



EBIT	1Q23	1Q22	% change
Consolidated	1,046	835	25.2
Preserves	1,134	908	24.9
Impulse	(110)	(117)	5.9
Exports	21	44	(51.3)

Figures in millions of MXN

EBIT MARGIN (%)	1Q23	1Q22	% change
Consolidated	12.1	11.7	0.4
Preserves	16.0	15.9	0.1
Impulse	(11.0)	(14.3)	3.3
Exports	3.8	7.7	(3.9)

Figures in percentages

EBIT in the quarter was MXN 1.0 billion, 25.2% higher than in 2022, with a margin expansion of 0.4 percentage points to 12.1%. The aforementioned is explained by: i) the price increases implemented over the last twelve months, and ii) the absorption of operating expenses.

ALL-IN RESULT OF FINANCING

In the first quarter, the all-in result of financing was MXN 165 million, 11.8% lower than in the same period in 2022, benefiting from a foreign exchange gain of MXN 25 million recorded during the quarter due to the appreciation of the Mexican peso against the dollar, in contrast with a foreign exchange loss registered in 2022.

EQUITY INVESTMENTS IN ASSOCIATED COMPANIES

EQUITY INVESTMENT IN ASSOCIATES	1Q23	1Q22	% change
Consolidated	295	104	184.8
MegaMex	276	88	213.6
Others	19	16	21.2

Figures in millions of MXN

Equity investments in associated companies totaled MXN 295 million in the quarter, which is 2.8 times higher than in the same period of the previous year. These results were due to the continuing recovery in MegaMex's performance, which was mainly driven by price increases and the normalization of avocado prices.



MEGAMEX CONSOLIDATED RESULTS (100%)

MEGAMEX INCOME STATEMENT					
MEGAMEX	1Q23	%	1Q22	%	% change
Net Sales	3,942	100.0	3,922	100.0	0.5
Gross Profit	1,449	36.8	999	25.5	45.0
EBIT	646	16.4	176	4.5	266.9
EBITDA	737	18.7	282	7.2	161.6
Net Income	553	14.0	176	4.5	213.6

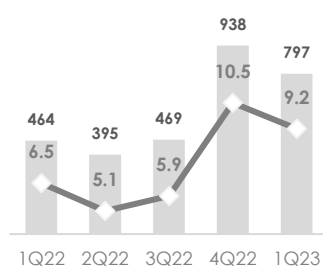
Figures in millions of MXN

During the quarter, net sales totaled MXN 3.9 billion, 0.5% higher than in the same period of the prior year, while net sales in US dollars increased 8.7%.

During the quarter, gross and EBIT margins expanded 11.3 and 11.9 percentage points to 36.8% and 16.4%, respectively, compared to the same period of 2022. This performance is explained by the combination of lower avocado prices, and normalization of freight costs. Furthermore, EBITDA margin increased 11.5 percentage points, climbing to 18.7%. Net income tripled to MXN 553 million, with a margin of 14.0%.

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NET INCOME



NET INCOME	1Q23	1Q22	% change
Con. Net Income	797	464	71.8
Con. Net Margin (%)	9.2	6.5	2.7
Minority Interest	482	304	58.6
Majority Net Income	315.5	160.4	96.8
Maj. Net Margin (%)	3.7	2.3	1.4

Figures in millions of MXN

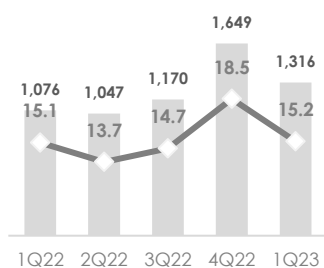
In the first quarter, consolidated net income was MXN 797 million, 71.8% higher than in the same period of last year, mainly driven by a sequential recovery at MegaMex, and to a lesser extent, to a normalization of the applicable tax rate.

Consolidated net margin in the quarter was 9.2%, an expansion of 2.7 percentage points over the prior year. Majority net income increased 96.8% in the quarter to MXN 316 million.



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EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AMORTIZATION AND OTHER NON-CASH CHARGES (EBITDA)



Consolidated EBITDA in the quarter was MXN 1.3 billion, 22.3% higher than in the previous year, with a 15.2% margin, in line with same period of 2022. In comparable terms – without the acquisition of Mediterranean – EBITDA was 21.1% with a margin of 15.4%.

EBITDA	1Q23	1Q22	% change
Consolidated	1,316	1,076	22.3
Preserves	1,243	999	24.5
Impulse	38	18	109.1
Exports	35	60	(41.8)

Figures in millions of MXN

CAPITAL EXPENDITURES (CAPEX)

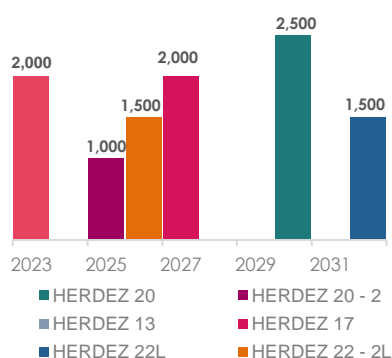
Net CAPEX was MXN 72 million in the quarter, which was mainly allocated to the Company's digital transformation project, as well as increased production capacity for tomato purée.

EBITDA MARGIN (%)	1Q23	1Q22	% change
Consolidated	15.2	15.1	0.1
Preserves	17.6	17.4	0.2
Impulse	3.8	2.2	1.6
Exports	6.3	10.5	(4.2)

Figures in percentages

FINANCIAL STRUCTURE

Debt Profile



As of March 31, 2022, available cash was MXN 3.0 billion, 27.1% higher than at the end of 2022, mainly driven by free cash flow generation of MXN 950 million in the quarter. Interest-bearing liabilities (including the effects of IFRS 16) remained flat at MXN 11.3 billion compared to 2022 year-end levels. Financial debt stood at MXN 10.4 billion at the end of the quarter, in line with 2022 year-end.

For the quarter, net debt to EBITDA was 1.6 times, while net debt to consolidated stockholders' equity remained at 0.5 times.



FREE CASH FLOW

Free cash flow was MXN 950 million in the quarter, MXN 587 million higher than at the end of 2022. This was mainly driven by a MXN 333 million recovery in consolidated net income compared to the same quarter of 2022, as well as to working capital improvements.

HIGHLIGHTS OF THE COMPANY'S SUSTAINABILITY STRATEGY

For the second year running, Grupo Herdez was distinguished among the top 10 of Merco's 100 Companies with the Most ESG Responsibility. This year the Company placed eighth overall, third among food companies, sixth among those that are most environmentally responsible, eighth among those that are most socially and internally responsible, and eleventh among those that are most responsible ethically and in terms of governance.

FIRST QUARTER 2022 EARNINGS CONFERENCE CALL INFORMATION

Date: Thursday, April 20, 2023

Time: 1:30 p.m. ET / 11:30 a.m. Mexico City Time

To participate, please dial:

- Toll-Free U.S. and Canada: +1 (855) 327 6837
- International Toll: +1 (631) 891 4304
- Conference ID#: 10021602

To access the call online, please go to

https://viaavid.webcasts.com/starthere.jsp?ei=1607076&tp_key=7a114f3c0b

If you are unable to participate live, a replay of the conference call will be available from April 20, 2023 through May 4, 2023. To access the replay, please dial domestic U.S. and Canada +1 (844) 512 2921, or from other countries +1 (412) 317 6671; conference ID: 10021602.

CONTACT INFORMATION

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ABOUT GRUPO HERDEZ

We are proud to be the oldest Mexican food company in the country. Since 1914, we have been bringing Mexican families the best of our cuisine and the flavors of the world, and taking the most delicious flavors of Mexico to the rest of the globe. We have been listed on the Mexican Stock Exchange since 1991, and our mission is to be a worthy representative of Mexico worldwide.

We are leaders in the processed foods sector, and an important player in the ice cream category in Mexico, in addition to being the fastest growing company in the Mexican food segment in the United States through Megamex, as leaders in guacamole production and marketing, as well as in the categories such as salsa and frozen Mexican food. We are currently present in 99% of Mexican households through our large portfolio of more than 1,500 products, with which we provide solutions to the daily lives of our consumers, offering them variety and convenience for different lifestyles. We participate in the categories of tuna, spices, guacamole, ice cream, impulse, yogurt, mayonnaise, marmalades, honey, mole, mustard, pastas, organic products, tomato purée, homemade salsas, ketchup, tea, canned vegetables, and many more, and we are leaders in several of these categories in Mexico. These products are sold through an exceptional portfolio of brands, including: Aires de Campo, Barilla, Blasón, Búfalo, Cielito Querido Café, Del Fuerte, Doña María, Embasa, Flaveur, Frank's, French's, Helados Nestlé®, Herdez, Libanius, Liguria, McCormick, Moyo, Nutrisa, and Yemina.

We are committed to the social and environmental needs of the locations where we operate, and have aligned our sustainability strategy with 7 of the United Nations 2030 Agenda. This vision is shared with an exceptional team of more than 10,500 employees, and it is implemented through the solid infrastructure of our 15 production plants, 24 distribution centers, and more than 690 points of sale of our brands: Cielito Querido Café, Lavazza, Moyo, and Nutrisa. For more information, visit grupoherdez.com.mx or follow us on: FB: /GrupoHerdezMX TW: @GrupoHerdezMX LI: /Grupo-Herdez

FORWARD-LOOKING STATEMENTS

The information contained herein (the "Information") has been prepared by Grupo Herdez, S.A.B. de C.V., its associated companies, subsidiaries and/or affiliated companies ("Grupo Herdez"), and may contain forward-looking statements that reflect Grupo Herdez's current expectations and views, which may differ materially due to various factors, risks and uncertainties. Therefore, Grupo Herdez and/or its respective officers, employees, or agents, assume no responsibility or liability for any discrepancy in the Information. But without prejudice to the foregoing, no warranty is given as to the accuracy of the statements or future variations of the Information, or any other written or oral Information issued by Grupo Herdez. The Information has been provided solely for informational purposes. The issuance of this Information shall not be taken as any form of commitment on the part of Grupo Herdez to proceed with any transaction.





INCOME STATEMENT	First Quarter				
	2023	%	2022	%	% Chg
Net Sales	8,632	100.0	7,108	100.0	21.4
Preserves	7,078	82.0	5,725	80.5	23.6
Impulse	1,002	11.6	817	11.5	22.6
Exports	552	6.4	566	8.0	(2.4)
Cost of Goods Sold	5,494	63.6	4,538	63.8	21.1
Preserves	4,591	64.9	3,713	64.9	23.6
Impulse	412	41.1	340	41.6	21.0
Exports	491	89.0	485	85.7	1.3
Gross Profit	3,138	36.4	2,569	36.2	22.1
Preserves	2,487	35.1	2,012	35.1	23.6
Impulse	590	58.9	477	58.4	23.8
Exports	60	11.0	81	14.3	(25.0)
Operating Expenses	2,087	24.2	1,761	24.8	18.5
Preserves	1,341	15.5	1,126	15.8	19.0
Impulse	708	8.2	598	8.4	18.4
Exports	39	0.5	37	0.5	5.8
EBIT before Other Income and Expenses	1,050	12.2	808	11.4	30.0
Preserves	1,147	13.3	886	12.5	29.4
Impulse	(118)	(1.4)	(121)	(1.7)	3.0
Exports	21	0.2	44	0.6	(51.3)
Other Income/Expenses, Net	5	0.1	(27)	(0.4)	NM
EBIT	1,046	12.1	835	11.7	25.2
Preserves	1,134	16.0	908	15.9	24.9
Impulse	(110)	(11.0)	(117)	(14.3)	5.9
Exports	21	3.8	44	7.7	(51.3)
All-in Result of Financing	(165)	(1.9)	(187)	(2.6)	(11.8)
Interest Earned and (Paid), Net	(190)	(2.2)	(186)	(2.6)	2.1
Exchange (Loss) Gain	25	0.3	(1)	(0.0)	NM
Equity Investment in Associated Companies	295	3.4	104	1.5	184.8
MegaMex	276	3.2	88	1.2	213.6
Others	19	0.2	16	0.2	21.2
Income Before Income Taxes	1,176	13.6	752	10.6	56.4
Income Tax Provision	379	4.4	288	4.0	31.7
Consolidated Net Income	797	9.2	464	6.5	71.8
Minority Interest	482	5.6	304	4.3	58.6
Majority Net Income	316	3.7	160	2.3	96.8
EBITDA	1,316	15.2	1,076	15.1	22.3
Preserves	1,243	17.6	999	17.4	24.5
Impulse	38	3.8	18	2.2	109.1
Exports	35	6.3	60	10.5	(41.8)

Figures expressed in millions of Mexican pesos

The proportions of COGS, Gross Profit, Operating Income and EBITDA of the segments are calculated accordingly



STATEMENT OF FINANCIAL POSITION	31 Mar 2023	%	31 Dec 2022	%	Change	
					\$	%
TOTAL ASSETS	37,915	100.0	37,554	100.0	361	1.0
Domestic	35,738	94.3	34,926	93.0	812	2.3
USA	2,177	5.7	2,628	7.0	(451)	(17.2)
Current Assets	14,340	37.8	14,023	37.3	317	2.3
Cash and Cash Equivalents	3,057	8.1	2,406	6.4	651	27.1
Accounts Receivable	3,438	9.1	3,720	9.9	(282)	(7.6)
Other Accounts Receivable	137	0.4	95	0.3	42	44.8
Inventories	5,249	13.8	5,511	14.7	(262)	(4.8)
Other Current Assets	2,459	6.5	2,292	6.1	167	7.3
Non-Current Assets	23,575	62.2	23,531	62.7	44	0.2
Property, Plant and Equipment, Net	5,239	13.8	5,301	14.1	(61)	(1.2)
Right-of-Use Assets	1,001	2.6	1,003	2.7	(1)	(0.1)
Investment In Subsidiaries	6,773	17.9	6,885	18.3	(112)	(1.6)
Intangible Assets	7,741	20.4	7,682	20.5	58	0.8
Other Assets	2,821	7.4	2,660	7.1	161	6.0
TOTAL LIABILITIES	20,977	55.3	20,407	54.3	570	2.8
Domestic	20,090	53.0	19,392	51.6	698	3.6
USA	887	2.3	1,016	2.7	(129)	(12.7)
Current Liabilities	10,629	28.0	10,049	26.8	580	5.8
Accounts Payable	4,761	12.6	5,064	13.5	(302)	(6.0)
Short-Term Debt	2,000	5.3	2,000	5.3	0	0.0
Short-Term Leases	328	0.9	326	0.9	2	0.5
Other Short-Term Liabilities	3,540	9.3	2,659	7.1	881	33.1
Long-Term Liabilities	10,348	27.3	10,359	27.6	(11)	(0.1)
Long-Term Debt	8,500	22.4	8,500	22.6	0	0.0
Long-Term Leases	483	1.3	480	1.3	4	0.8
Other Liabilities	(30)	(0.1)	(31)	(0.1)	1	4.7
Other Long-Term Liabilities w/o Cost	1,394	3.7	1,410	3.8	(16)	(1.1)
TOTAL STOCKHOLDERS' EQUITY	16,938	44.7	17,147	45.7	(209)	(1.2)
Minority Stockholder's Equity	10,143	26.8	10,350	27.6	(207)	(2.0)
Majority Stockholder's Equity	6,795	17.9	6,797	18.1	(1)	(0.0)

Figures expressed in millions of Mexican pesos