

# GRUPO HERDEZ

## SECOND QUARTER 2019

### EARNINGS RELEASE



Mexico City, Mexico, July 25, 2019 – Grupo Herdez, S.A.B. DE C.V. (“Grupo Herdez” or the “Company”) (MSE: HERDEZ) today announced results of the second quarter OF 2019, ended June 30, 2019.

"Our top-line performance in the first six months of the year reflects our focus on commercial execution, which has helped offset the slowdown in the economy. We will continue to invest in innovation to strengthen our leadership and the relevance of our portfolio among consumers," said Héctor Hernández-Pons Torres, President and CEO of Grupo Herdez.

#### HIGHLIGHTS FOR THE QUARTER

- Net sales grew 8.5% compared to the same quarter of the previous year, driven by price increases in the Preserves segment and higher sales volumes in the Frozen segment.
- EBIT and EBITDA margins of 13.0% and 16.5%, respectively reflected the impact of an unfavorable sales mix.
- Consolidated net income totaled MXN 575 million, representing a margin of 10.1 percent.

	2Q19	%	2Q18	%	% change
Net Sales	5,662	100.0	5,217	100.0	8.5
Gross Profit	2,164	38.2	2,117	40.6	2.2
EBIT	736	13.0	775	14.9	(5.0)
Consolidated Net Income	575	10.1	665	12.8	(13.6)
EBITDA	934	16.5	909	17.4	2.8

Figures in million MXN

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. As of January 1, the financial statements reflect the implementation of IFRS 16 “Leases”.

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



## CONTACT INFORMATION

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## ABOUT GRUPO HERDEZ

Grupo Herdez is the leading producer of shelf-stable foods and one of the main players in the ice cream category in Mexico, as well as one of the leaders in the Mexican food category in the United States. The Company participates in a wide range of categories including burritos, canned vegetables, frozen yogurt, guacamole, home-style salsas, honey, ice cream, ketchup, marmalade, mayonnaise, mole, mustard, organic foods, pasta, spices, tea, tomato purée, and tuna fish, among others. These products are sold through an exceptional portfolio of brands, which includes Aires de Campo, Barilla, Búfalo, Chi-Chi's, Del Fuerte, Don Miguel, Doña María, Embasa, Frank's, French's, Helados Nestlé, Herdez, La Victoria, McCormick, Nutrisa, Wholly Guacamole, and Yemina. Additionally, the Company has distribution agreements in Mexico for Kikkoman, Lavazza, Ocean Spray, and Reynolds. Grupo Herdez has 15 manufacturing facilities, 24 distribution centers, 7 tuna vessels, 483 Nutrisa stores and a workforce of more than 10 thousand employees. The Company was founded in 1914 and has been listed on the Mexican Stock Exchange since 1991. For more information, visit <http://www.grupoherdez.com.mx>

## FORWARD-LOOKING STATEMENTS

The information contained herein (the "Information") has been prepared by Grupo Herdez, S.A.B. de C.V., its subsidiaries and/or affiliated companies ("Grupo Herdez"), and may contain forward-looking statements that reflect Grupo Herdez's current expectations and views, which may vary materially due to various factors, risks and uncertainties. Therefore, Grupo Herdez and/or its officers, employees or agents, assume no responsibility or liability for any such variations in the Information. In particular, and notwithstanding the foregoing, no guarantee is given as to possible future variations of the Information. Information has been provided solely for informational purposes. The issuance of this Information shall not be taken as any form of commitment of Grupo Herdez to proceed with any transaction.

