

GRUPO HERDEZ

THIRD QUARTER 2019

EARNINGS RELEASE

Mexico City, Mexico, October 24, 2019 – Grupo Herdez, S.A.B. DE C.V. (“Grupo Herdez” or the “Company”) (MSE: HERDEZ) today announced the results of the third quarter of 2019, ended September 30, 2019.

"Our sales continue to reflect the execution of our commercial strategy. Our investments in innovation will continue to be the basis of future growth," said Héctor Hernández-Pons Torres, Chairman and CEO of Grupo Herdez.

HIGHLIGHTS FOR THE QUARTER

- Net sales grew 7.0% compared to the same quarter of the previous year, driven by price increases across all segments.
- EBIT and EBITDA margins of 13.5% and 17.6%, respectively, benefited by an extraordinary income regarding the sale of one tuna vessel during the quarter.
- Consolidated net income was MXN 461 million, representing a margin of 8.3 percent affected by MegaMex.

	3Q19	%	3Q18	%	% change
Net Sales	5,569	100.0	5,204	100.0	7.0
Gross Profit	2,206	39.6	2,007	38.6	9.9
EBIT	750	13.5	672	12.9	11.6
Consolidated Net Income	461	8.3	511	9.8	(9.9)
EBITDA	978	17.6	802	15.4	22.0

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.



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CONTACT INFORMATION

Andrea Amozurrutia

+52 (55) 5201 5636

Guillermo Pérez

+52 (55) 5201 5602

invrel@herdez.com

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, 6 tuna vessels, more than 480 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.

