



GRUPO HERDEZ

FOURTH QUARTER & FULL YEAR 2019

EARNINGS RELEASE

Mexico City, Mexico, February 27, 2020 – Grupo Herdez, S.A.B. DE C.V. (“Grupo Herdez” or the “Company”) (MSE: HERDEZ) today announced results for the fourth quarter and full year ended December 31, 2019.

"Our focus on innovation and growth, in conjunction with the resilience of our brands, gives us the confidence to look towards the future with optimism. We have done this for 105 years, and will continue doing so for many more," said Héctor Hernández-Pons Torres, Chairman and Chief Executive Officer of Grupo Herdez.

CONSOLIDATED HIGHLIGHTS FOR THE YEAR

- Net sales increased by 6.9% to MXN 22.4 billion, mainly driven by price increases over the last 12 months.
- EBIT and EBITDA margins were 13.3% and 17.0%, respectively. EBIT declined 1.0 percentage points, whereas EBITDA margin increased 0.2 percentage points due to the adoption of IFRS 16.
- Net income totaled MXN 2.2 billion, 8.2% lower than in 2018, with a margin decrease of 1.7 percentage points, due to lower participation in non-consolidated equity investments which fell to 9.9 percent.

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.



ANUAL RESULTS 2019

	2019	%	2018	%	% cambio
Net sales	22,420	100.0	20,971	100.0	6.9
Gross Profit	8,633	38.5	8,250	39.3	4.6
EBIT	2,990	13.3	2,997	14.3	(0.2)
Consolidated Net Income	2,224	9.9	2,424	11.6	(8.2)
EBITDA	3,818	17.0	3,517	16.8	8.6

Cifras en millones de pesos

FOURTH QUARTER RESULTS

	4T19	%	4T18	%	% cambio
Net sales	5,977	100.0	5,848	100.0	2.2
Gross Profit	2,288	38.3	2,285	39.1	0.1
EBIT	866	14.5	925	15.8	(6.3)
Consolidated Net Income	671	11.2	760	13.0	(11.6)
EBITDA	1,078	18.0	1,056	18.1	2.1

Cifras en millones de pesos

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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 the fastest growing company in the Mexican food category in the United States. The Company participates in a wide range of categories including home-style salsas, organic foods, honey, ice cream, jams, mayonnaise, mole, mustard, pasta, spices, tea, tomato purée, tuna fish, among others. These products are sold through an exceptional portfolio of brands, which includes Aires de Campo, Barilla, Blasón, Búfalo, Cielito Querido Café, Del Fuerte, Doña María, Embasa, Helados Nestlé®, Herdez, McCormick, Moyo, Nutrisa, Wholly Guacamole and Yemina. Additionally, the Company has distribution agreements in Mexico for Frank's, French's, Kikkoman, Ocean Spray and Reynolds. Grupo Herdez has 14 manufacturing facilities, 24 distribution centers, 6 tuna vessels, more than 600 points of sale under the brands Cielito Querido Café, Lavazza, Moyo and Nutrisa, as well as a workforce of more than 10,000 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.

