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# Investor Presentation

## 4Q13

# Grupo Bimbo



➤ **Global leader** in baking and one of the largest packaged food players

➤ 2013 Sales: **USD \$13.8 Bn<sup>1</sup>**

➤ 2013 EBITDA: **USD \$1.4 Bn<sup>1</sup>**

➤ Presence in **19 countries**

➤ **+10,000 products** and **+100 brands**

➤ Categories: packaged bread, salted snacks, confectionary, tortillas and packaged food

➤ Market Cap of **USD \$12.7 Bn<sup>2</sup>**

1. 2013 figures as of December 31<sup>st</sup>, 2013. Converted to USD using the average LTM rate of \$12.7490

2. As of February 24, 2014. Converted to USD using an FX rate of \$13.2628



# Broad Asset Base



125,000  
associates



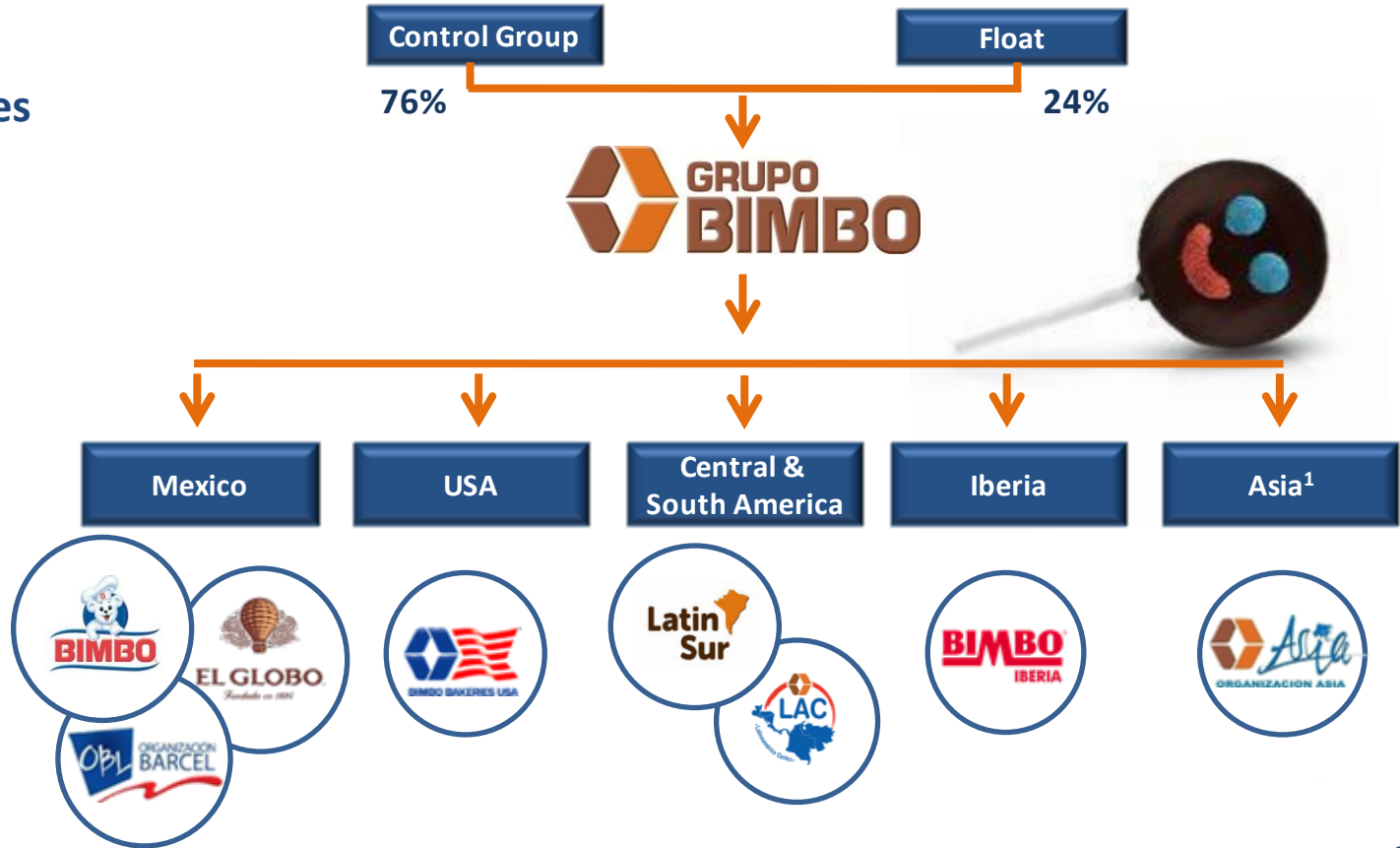
144  
plants



+2.2 MM  
POS



+52,000  
routes



1. Asia's results are included in Mexico

# Globally Present, Locally Committed



MRS BAIRD'S  
MAKING FRESH TRADITIONS



Entenmann's



EARTHGRAIN'S

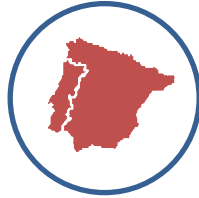


## United States

- Leader nationwide
- #1 in premium brands
- #1 in English muffins
- #1 portfolio of Hispanic brands<sup>1</sup>
- Strong regional brands



Silueta



## Portugal & Spain

- #1 in packaged baked goods
- Leading brands in sweet baked goods and snack categories



## Mexico

- #1 in packaged baked goods
- #1 in pastry chain
- #2 in cookies and crackers
- #2 in salty snacks
- #2 in confectionary

PULLMAN

plusvita

nutrella

FARGO

Ang Maria



## Central & South America<sup>1</sup>

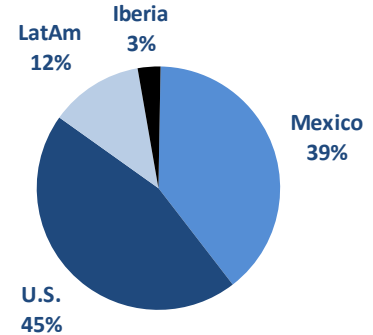
- #1 in packaged baked goods in 14 countries

## China<sup>1</sup>

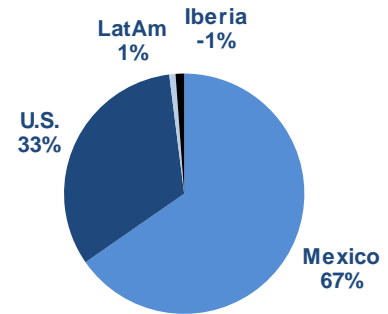
- Pioneer in developing packaged baked goods in Beijing and Tianjing



## 2013 Revenue Breakdown (US\$13.8 Bn)<sup>2</sup>



## 2013 EBITDA Breakdown (US\$1.4 Bn)<sup>2</sup>



Source: Datamonitor

1. Source: Company Research

2. 2013 pro forma figures as of December 2013, converted to US\$ using the LTM average rate of \$12.7695

# Successful Growth Case



Strict Reinvestment

Strategic Focus

Sustainable Growth

Solid Balance Sheet

1945

 50s

 60s

 70s

 80s

 90s

       00s

       2009

   2011



... Accelerated International Expansion

Successful growth story through a combination of organic growth, strategic acquisitions combined with a conservative financial policy

# Key Success Drivers



**Dedication  
to Bakery  
Industry**

**Long Run Player  
in a Very  
Attractive and  
Non-Cyclical  
Industry**

**Brand Equity**

**Innovation  
&  
Deep Consumer  
Understanding**

**Over the last decade GB shifted from a strong local player to a leader in the Americas**

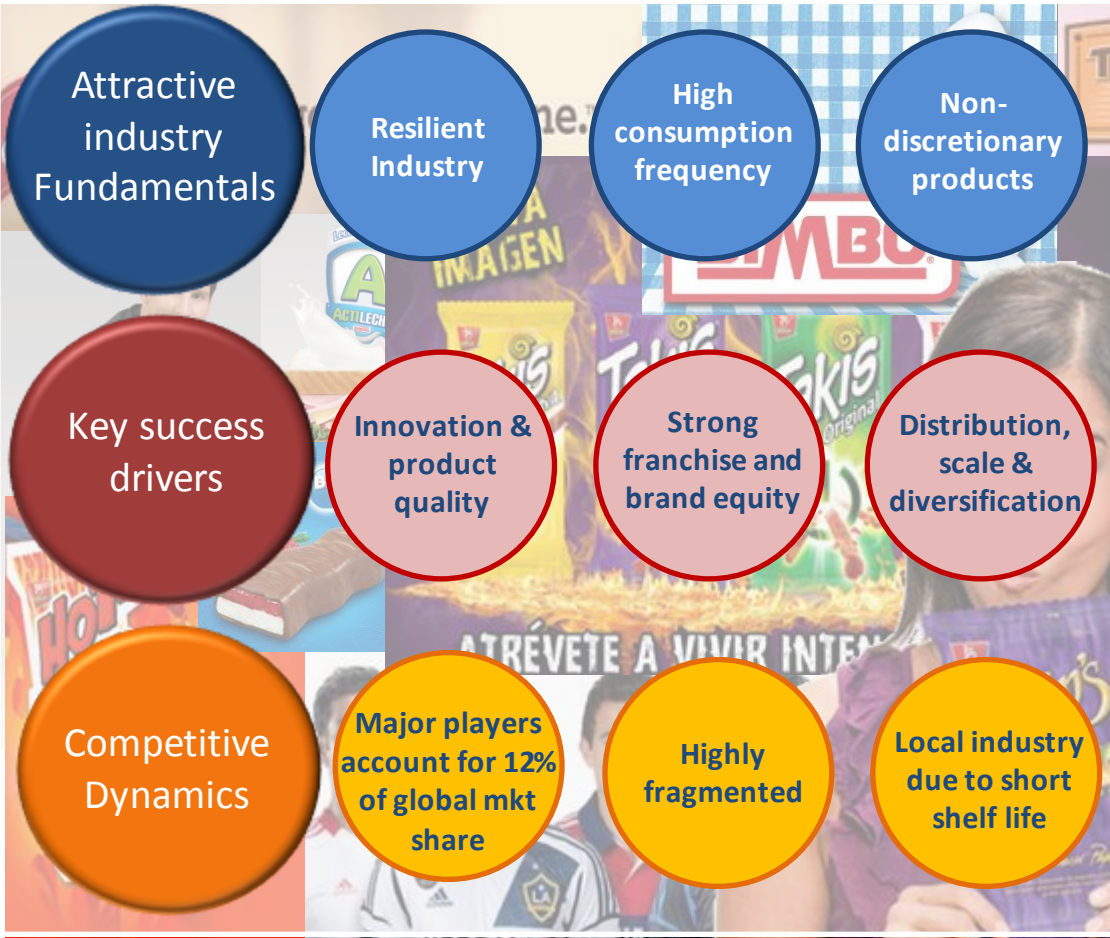
**Socially &  
Environmentally  
Responsible**

**Responsible  
Financial  
Management**

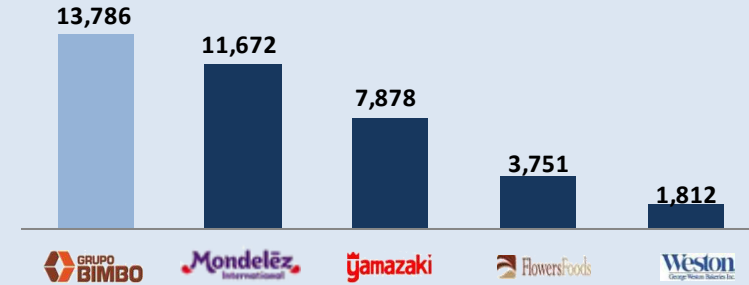
**Experienced  
Management  
Team and Strong  
Corporate  
Governance**

**Exceptional &  
Unparalleled  
Distribution  
Network**

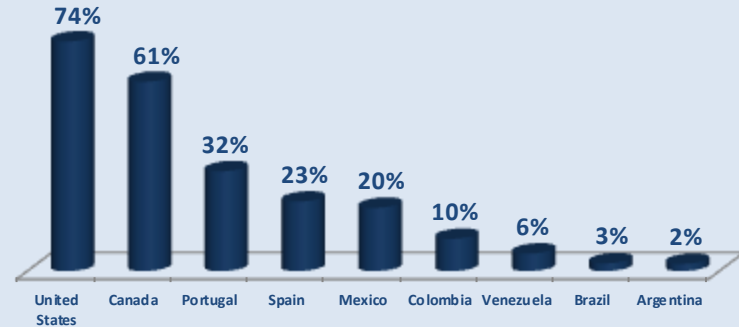
# Leading Player in an Attractive Non-Cyclical Industry



## LTM Revenues in US\$MM<sup>1</sup>



## Packaged Bread Penetration<sup>2</sup>



1. Bimbo figures as of December 31, 2013; Mondelez biscuit business, LTM figures as of December 31, 2013; Yamazaki excludes revenues from retail and confectionary segments, figures as of June 30, 2013; Flowers Foods LTM figures as of December 28, 2013; Weston Foods segment refers to the fresh and frozen baking company located in Canada and frozen baking and biscuit manufacturing in the U.S., LTM figures as of December 31, 2013

2. Datamonitor 2013, Industrial Bread & Rolls category in market volume; Packaged bread refers to the pre-packed bread produced at industrial facilities

# Strong Brand Equity and Deep Consumer Understanding



Taking innovative products around the world

Broad portfolio

Deep  
**consumer**  
understanding

Every **meal**, every  
**occasion**, every  
consumer **group**

Extraordinary  
**Brand**  
Awareness

**BIMBO**: one of  
the most valuable  
**brands** in Latin  
America<sup>1</sup>

**Leadership**  
in core  
products and  
markets

**4** R&D  
Institutes

Products that  
have changed  
the  
**industry's**  
course

Keep up with  
**evolving**  
consumer  
**trends**



1. Source: Study conducted by "MillwardBrown Optimor" in September, 2013



Exceptional Distribution Network and  
Manufacturing Facilities



# Competitive advantage



**+52,000**  
routes

**Unique**  
expertise in moving  
high volume  
products



**+2.2 MM**  
POS




On of the  
largest fleets  
in the  
Americas

**Attuned**  
distribution  
model for  
each channel



**144**  
plants in 19  
countries

**Low cost**  
increase  
manufacturing  
CAPEX



Access to  
unmatched  
technological  
equipment

## Outstanding POS Execution

# Seasoned Management Team, Sound Governance & Strong Corporate Identity



Daniel Servitje  
Chairman of the Board

Audit Committee  
(5 independent members)

Compensation & Benefits Committee  
(5 members, 1 independent)

Finance & Planning Committee  
(7 members, 1 independent)

Daniel Servitje  
CEO

Guillermo Quiroz  
CFO

Gary Prince  
Deputy CEO of Grupo Bimbo

Pablo Elizondo  
Assistant CEO of Grupo Bimbo

Javier A. González  
President of Bimbo

Fred Penny  
President of Bimbo Bakeries USA (BBU)

Reynaldo Reyna  
Chief Information and Strategy

Raúl Argüelles  
Personnel and Public Relations

Guillermo Sanchez  
Operations Auditing Director

Seasoned Management Team

- › Positioned the company as the market leader
- › Proven track record of stability and growth
- › Successfully integrated more than 30 acquisitions over the past 10 years
- › Developed innovative ideas and best practices in manufacturing

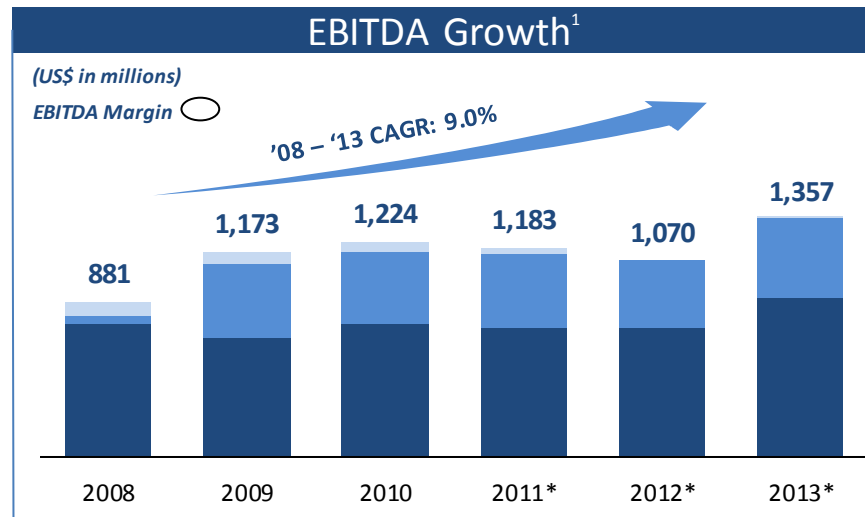
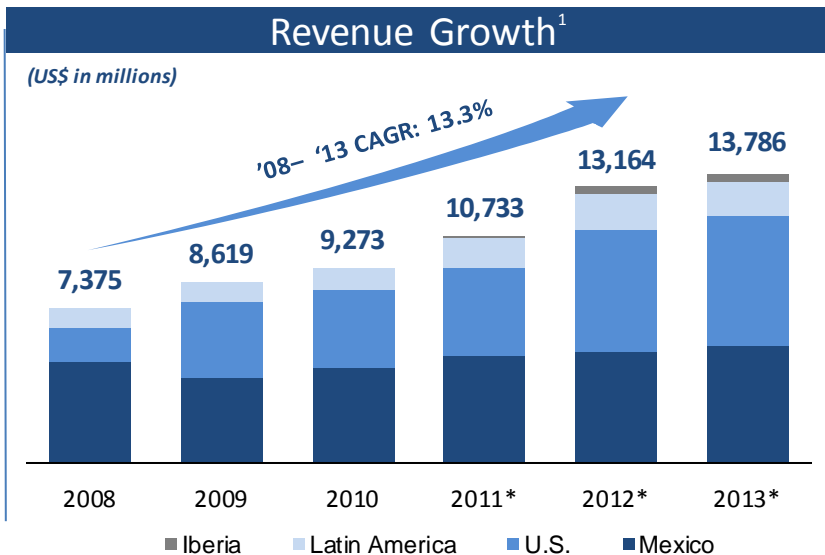
Sound Governance

- › Corporate Governance aligned with shareholders' interests
- › 40% of board members are independent
- › 3 Corporate Committees

- › One of the most respected companies in the World<sup>1</sup>
- › Reputation built on a strong corporate identity and brand equity
- › Key component is its wide ESR Program
- › Complies with WHO's Global Strategy on Diet and Physical Activity & Health

Identity, Corporate Culture & Citizenship

# Strong Financial Performance



5 year CAGR in USD<sup>1</sup>:

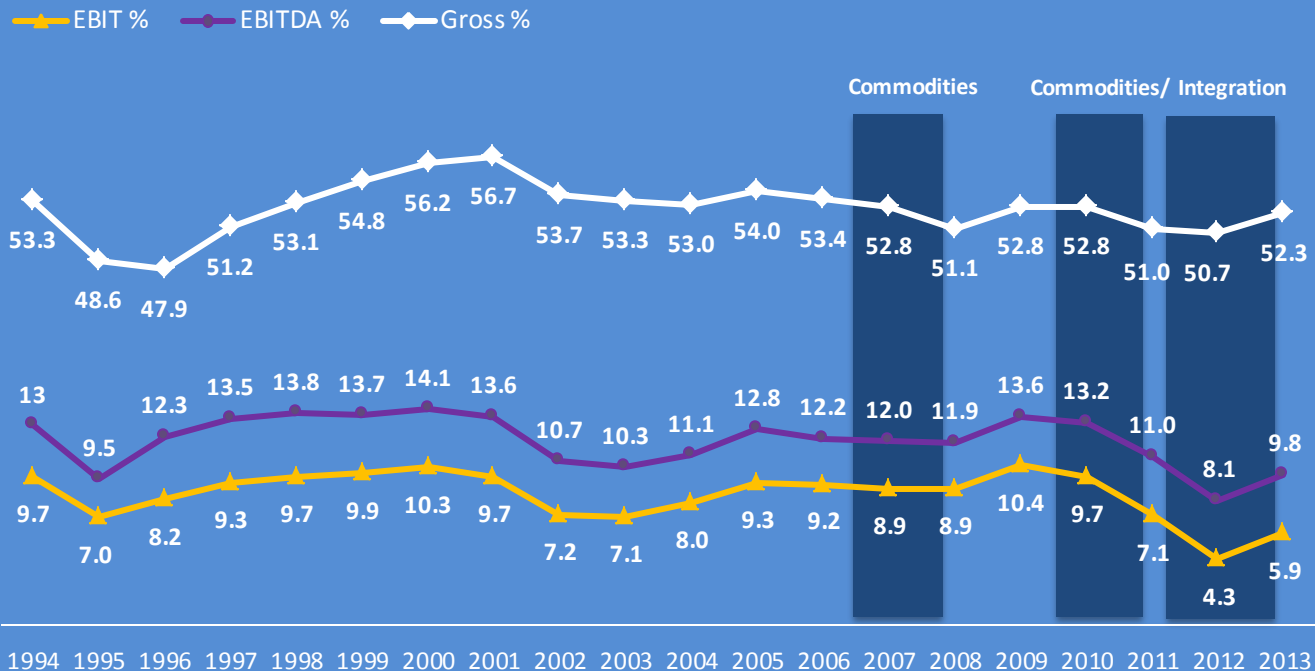


GB	11.9%	13.6%	13.2%	11.0%	8.1%	9.8%
MX	15.5%	16.5%	16.6%	14.3%	13.8%	15.8%
U.S.	3.0%	11.5%	10.9%	9.8%	6.4%	7.3%
LatAm	7.6%	7.0%	4.6%	1.7%	-1.1%	0.7%
Iberia				-18.6%	-8.7%	-3.8%

<sup>1</sup> Figures converted to USD using the 12M average FX rate for each year

\* 2011, 2012 & 2013 figures in IFRS

# Financial Stability



▲ Mexican Crisis

▲ US Recession

▲ World Financial Crisis

IFRS

Figures for 2011, 2012 and 2013 registered according to IFRS

# Responsible Financial Policies



Flexible Capital Structure

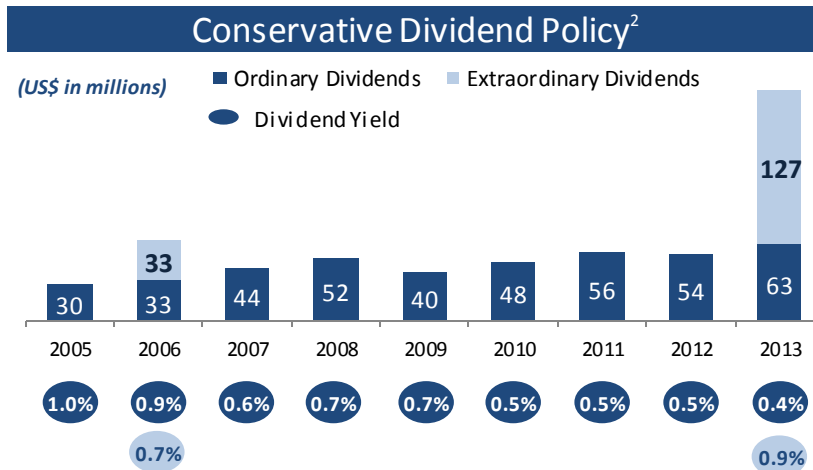
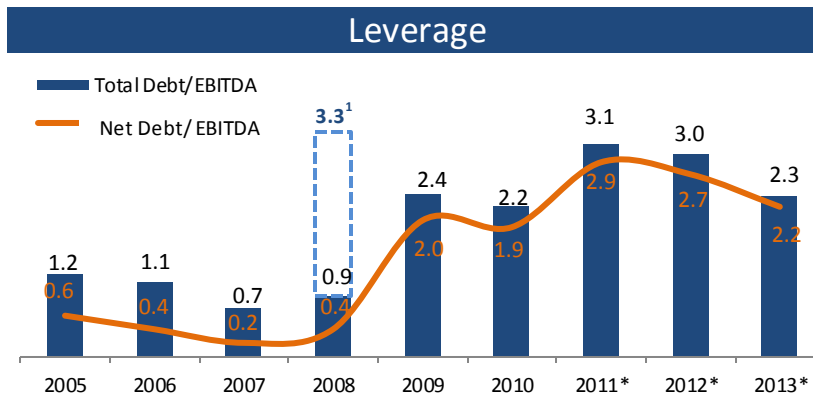
Rapid deleveraging: target <2x

Investment grade ratings:  
Baa2/BBB/BBB  
(Moody's/Fitch/S&P)

Strict management of CAPEX & Working Capital

Conservative Dividend Policy

Responsible risk management



1. Pro forma Weston Foods, Inc, acquisition  
2. Figures converted to US\$ using the FX of the day dividends were paid

\* 2011, 2012 and 2013 in IFRS

# Responsible Financial Management



Jan 2012:  
US\$800mm of  
4.5% due 2022  
under Reg-S Rule

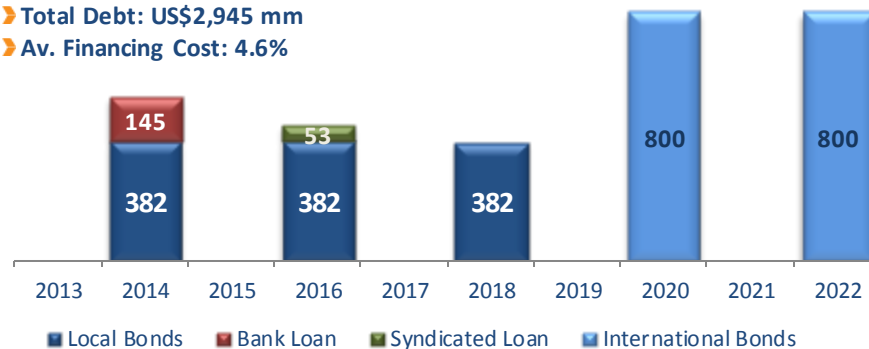
Current undrawn  
committed facilities  
for US\$2.0 Bn  
maturing in  
2019

Feb 2012: Ps. 5 Bn  
of 6.83% local  
bonds, at 6.5  
years

Instrument	Amount (US\$ millions)	Currency	Average Life
Bank Facilities	198	MXN-USD	0.5 years
Bonds	2,747	MXN – USD	5.3 years

## Amortization Schedule<sup>1</sup>

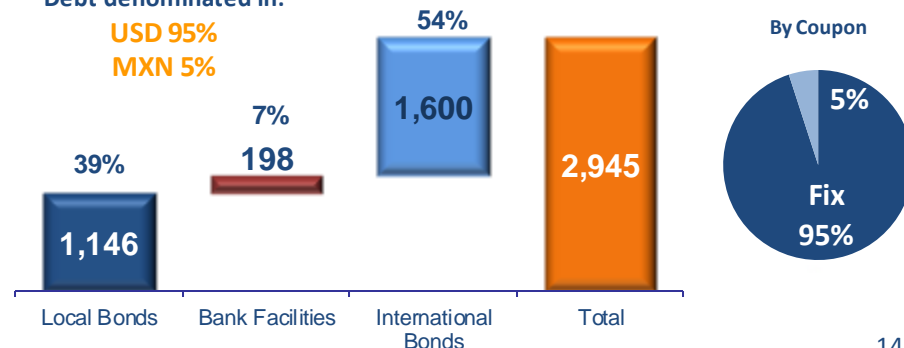
- Average Life: 5.0 years
- Total Debt: US\$2,945 mm
- Av. Financing Cost: 4.6%



## Debt Structure<sup>1</sup>

Debt denominated in:

USD 95%  
MXN 5%



1. Figures as of December 31, 2013.. Does not include debt at the subsidiary level. FX \$13.0765

# Building a Sustainable Future



We understand there is no conflict in doing good and doing well



**Wellbeing**

- › WHO and SSA guidelines
- › Trans fats removed from 99.5% of products
- › 700 reformulated products



**Planet**

- › Wind farm in Mexico
- › Energy consumption down 11m kWh
- › Water consumption down 230k m3
- › Recycling in 84% of plants in Mexico
- › 72% of wastes are recycled



**Community**

- › 10K families supported by "Fundar"
- › 65K indigenous people benefited
- › 75K students benefited
- › "Limpiemos Mexico"



**Associates**

- › +127K associates in 19 countries
- › Solid ethics
- › Strong focus on development

# Looking Ahead





# Time to Improve Profitability



**BIMBO**

**Fargo**  
el pan del día

## Synergistic Transaction

Long Term Vision- Do It Right

- › IT
- › Leadership
- › Growth
- › EFFICIENCY

Think Big, Think Future

One time costs are necessary to capture synergies (US\$200mm)

1. Cost
  - Manufacturing
  - Distribution
  - S&A
2. Revenue

**Better Together**

- › Efficient operation with value creation to consumers
- › Strong CF generation
- › Industry Transformation

The New BBU

# Time to Invest



*Our Strong Cash Flow Generation Backs our Investment Plan*



Investments are clearly focused on **productivity**

- US synergies- **reconfigure** manufacturing print
- Streamline **manufacturing capabilities**
- LatAm- Build **scale** and **market penetration**
- Next couple of years...CAPEX around 1.3x depreciation (**US\$550 million**)

**Low- Cost  
Producer**

# Time to Deleverage



## Total Debt/ EBITDA

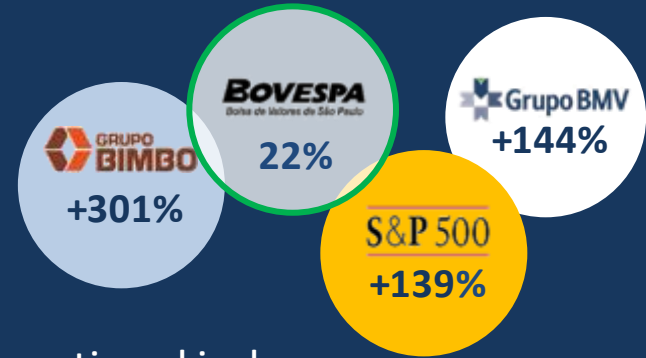


1. Pro forma figures with Weston Foods acquisition

\* 2011, 2012 and 2013 in IFRS

# Why Grupo Bimbo? We believe and we create

5 year return in USD<sup>1</sup>



1 Long-term **value** creation

2 **Strongly positioned** in local & International indexes

3 **Focused** on our core business

4 Cash flow **stability**

5 Successful **deleveraging** and solid **investment grade** ratings

6 Strong & continuous **reinvestment**

7 **Responsible** Financial Management



# Annex: Financial Results by Region & Recent Acquisitions

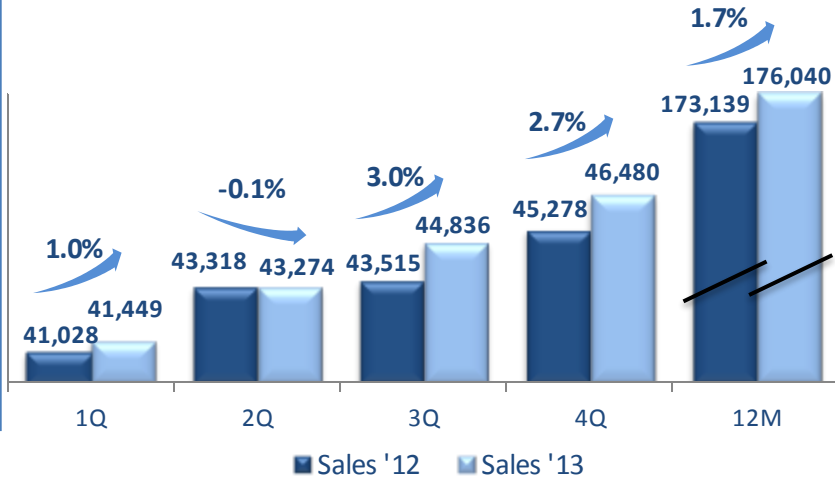


# Grupo Bimbo - Quarterly Results



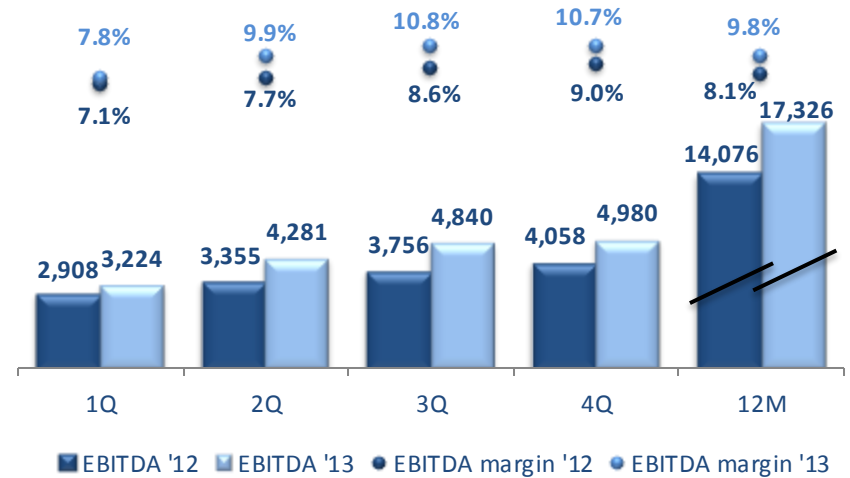
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✓ Revenue growth across all regions in local currencies
- ✗ FX impact in Latam

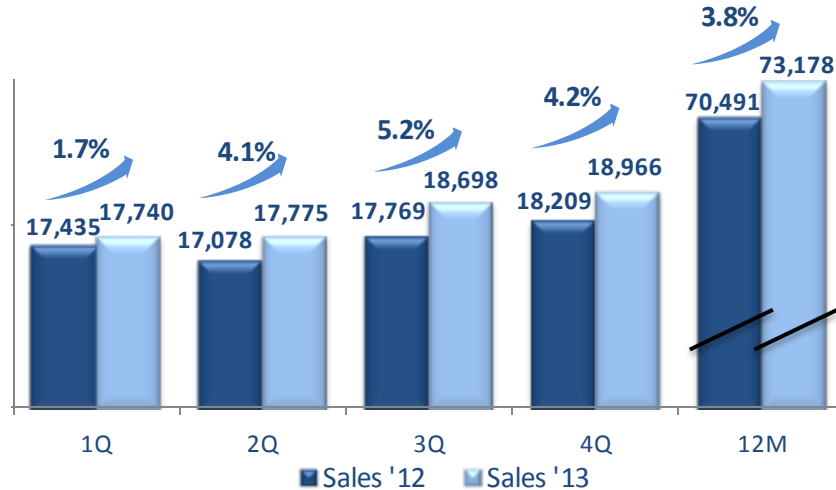
- ✓ Lower cost in certain inputs in Mexico and Iberia
- ✓ Production efficiencies - waste reduction / synergies in the US
- ✓ Improvements in Latin America and Iberia operations
- ✗ Higher marketing expenses in Mexico and U.S.

# Mexico- Quarterly Results



## Revenue Growth

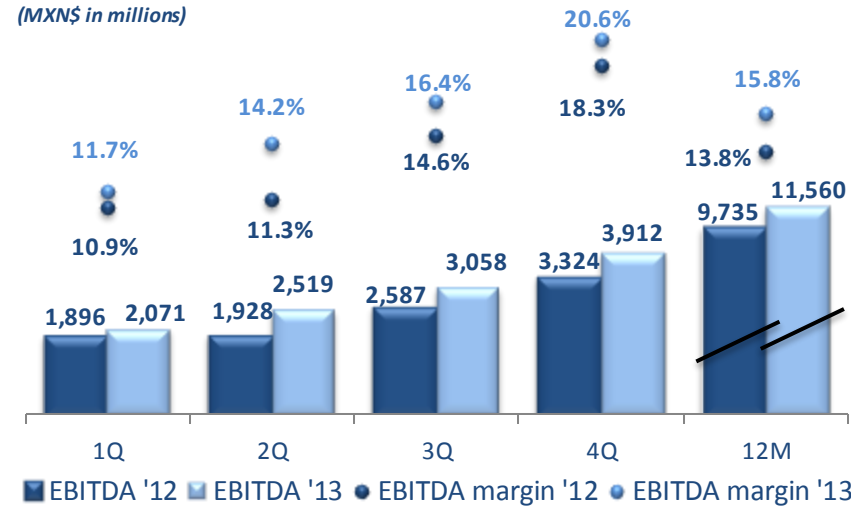
(MXN\$ in millions)



- ✓ Pricing initiatives
- ✗ Volume decline

## EBITDA

(MXN\$ in millions)



- ✓ Lower raw materials
- ✗ Higher marketing expenses
- ✗ Low basis of comparison – reclassification of the annual financial cost of pension plans to the interest line

# United States- Quarterly Results



## Revenue Growth

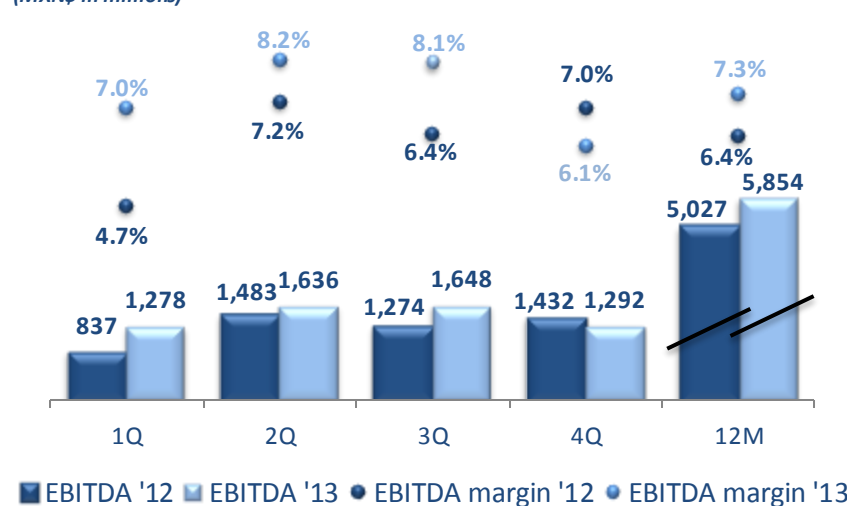
(MXN\$ in millions)



- ✓ **Growth** in USD across all channels
- ✓ **Increased market penetration** in the sweet baked goods category
- ✗ California **divestiture**

## EBITDA

(MXN\$ in millions)



- ✓ Production efficiencies- **waste reduction/synergies**
- ✗ **Higher** raw materials and marketing expenses
- ✗ **Integration** related expenses
- ✗ **Low basis** of comparison – reclassification of the annual financial cost of pension plans to the interest line

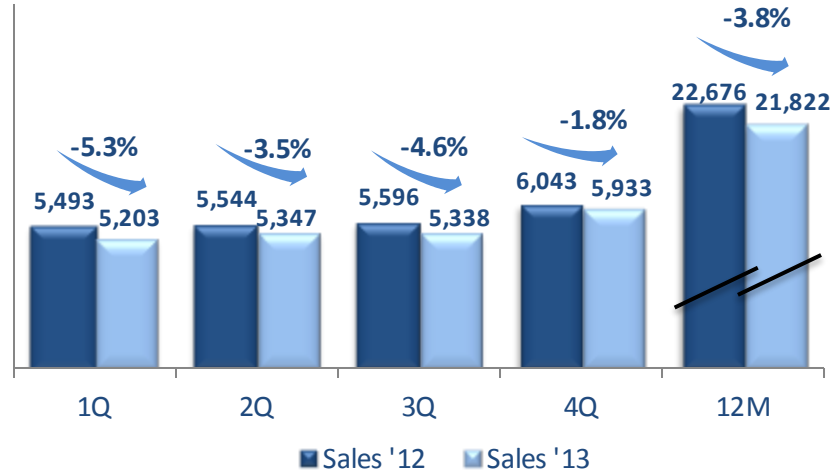


# Latin America- Quarterly Results



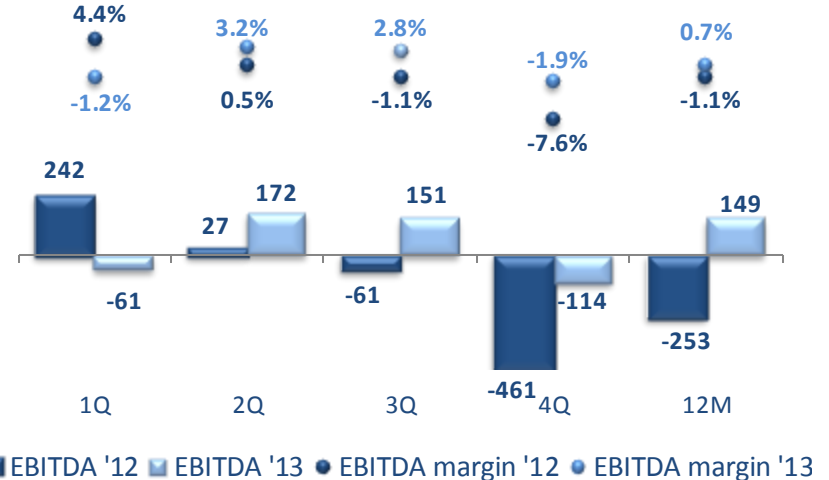
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✗ FX impact
- ✓ Positive **sales growth** (in local currencies) on still **challenging consumption** environment

- ✓ **Operational** improvements
- ✓ **No extraordinary** charges
- ✗ **Higher** raw materials

# Iberia - Quarterly Results



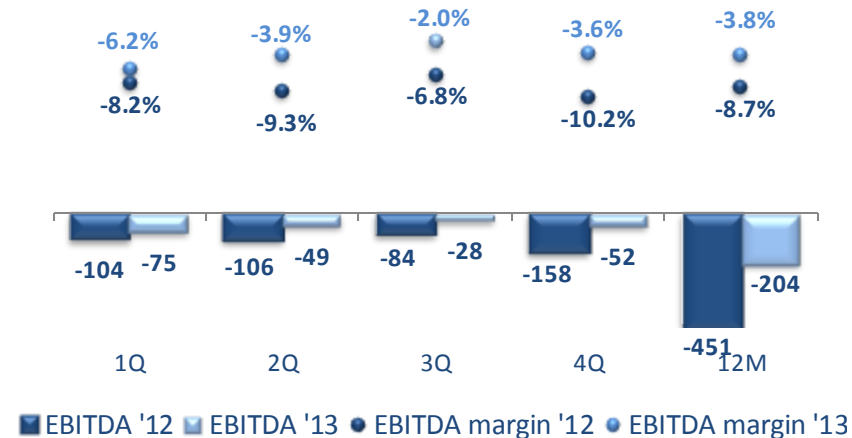
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✓ **Good volume** performance (mainly sweet baked goods)
- ✓ **New** product launches
- ✗ **Challenging price** environment
- ✗ **High basis** of comparison – implementation ERP

- ✓ **Lower** raw materials
- ✓ **More efficient** cost structure
- ✗ **Integration process** and **restructuring** business model

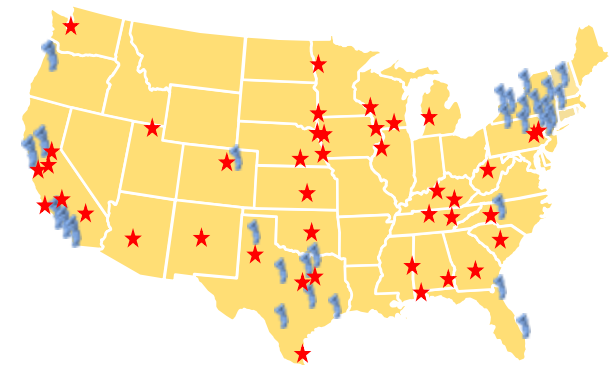
# Recent Acquisitions



## Sara Lee North American Fresh Bakery - Earthgrains

- Acquired for an all-cash purchase price of **US\$709 million**, which includes US\$34 million in assumed liabilities
- Attractive acquisition, which will add **scale**, diversify the **brand portfolio** and complement the **geographic footprint**
- Identified **synergies of US\$200million** to be achieved by 2014
- Revenues: **US\$2,036 million** <sup>(a)</sup>

Super Premium/ Variety		
Premium Sandwich/ White		
Regional/ Mass		
Specialty		
Ethnic Hispanic		



### Implied transaction multiples <sup>(b)</sup>

- FV/LTM Revenues: **0.35x**
- FV/LTM EBITDA: **9.1x**
- FV/Synergized EBITDA: **3.1x** <sup>(c)</sup>

Sara Lee: 41<sup>1</sup>  
 BBU: 34

1. Includes plants to be divested

a) LTM as of June 30, 2011. Figures are pre consent decree divestitures

b) Multiples based on US\$709mm enterprise value and LTM figures as of June 30, 2011; assumes no tax benefits and proceeds or impact from divestitures associated with the Consent Decree agreed with the DOJ

c) Assuming US\$150 million synergies by 2014

# Upcoming Acquisition – Canada Bread



- Purchase price: **CAD\$1,830 million**
- Annual Revenues: **CAD\$1,439 million<sup>1</sup>**
- Annual EBITDA: **CAD\$185 million<sup>1</sup> (12.9% margin)**
- Canada Bread is one of the leading manufacturers and marketers of bakery products with presence in Canada, North America and the U.K.
- Leading brands, solid margins, accretive to EPS, diversify cash flows, frozen category opportunity

## Implied transaction multiples

- FV<sup>2</sup>/LTM Revenues<sup>1</sup>: **1.2x**
- FV<sup>2</sup>/LTM EBITDA<sup>1</sup>: **9.3x**

## Canada – 16 Bakeries



## U.S. - 3 & Canada - 4 Frozen Bakeries



**Frozen** (US & Canada): **#1** pie shell category

*Tenderflake*

## U.K. – 2 Bakeries

**UK: #1** bagel brand



Product Categories	Competitive Position <sup>3</sup>	Canada Brands
Bread	#2	<p><b>National</b></p>  
Buns & Rolls	#1	<p><b>Quebec</b></p>  
Breakfast	#1	<p><b>Maritimes</b></p>  <p><b>Western</b></p> 
Tortillas	#1	
Fruit/ Sweet Bread <sup>4</sup>	#1	

<sup>1</sup> Figures after Grupo Bimbo's assessment of the earnings capacity of the business that was used for valuation purposes

<sup>2</sup> Considers a cash balance of approximately CAN\$100 mm

<sup>3</sup> Nielsen Market Track (in Canadian dollars), latest 52 weeks as of 7/27/13

<sup>4</sup> Includes licensed brands Sun-Maid and Cinnabon

# Thank you



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