

**BIMBO**

1947

**BIMBO**

1980

**BIMBO**

1990

**BIMBO**

2000

**BIMBO**

2010



## INVESTOR PRESENTATION

Fourth Quarter 2014

Control Group: 77%  
Float: 23%



Market Cap: US\$13.2 bn<sup>(1)</sup>

2014 Revenues <sup>(2)</sup>	Countries	Plants	Routes	Sales Centers	POS	Associates	Brands	Products
US\$14.1 Bn 5 YR CAGR: 10.3%	22	167	≈52,000	≈1,700	≈2.4 million	≈129,000	≈100	≈10,000

U.S. & Canada



Mexico



Central and South America



Europe



Asia



1. As of February 27, 2015. Expressed in US\$ at the FX of \$14.9 Ps./US  
2. Converted to US\$ with the average FX rate of that period

# Where do we stand?



- ❖ A **Global Consumer Products** Company and **the leader** in the baking industry space
- ❖ Remarkable growth story with financial **stability**
- ❖ Investments on manufacturing and logistics capabilities targeted to foster **productivity**
- ❖ Unyielding **discipline** on a **conservative** financial policy
- ❖ Successful culture of business **integration**, recently in the **US, Canada and Ecuador**
- ❖ Relentless effort on **innovation** and **sustainability** to increase brand equity

# Successful Growth Case



- ✓ Long term view and a strict reinvestment policy
- ✓ Innovation and execution continue to drive organic growth
- ✓ Acquisitions have been a key component to gain global reach
- ✓ Leadership position in both, mature and high growth markets
- ✓ Accelerated international expansion during the last decade



# Key Success Drivers



1

Leading Global Baking Company

5

Best-in-Class Operating Capabilities



2

Solid Growth Platform

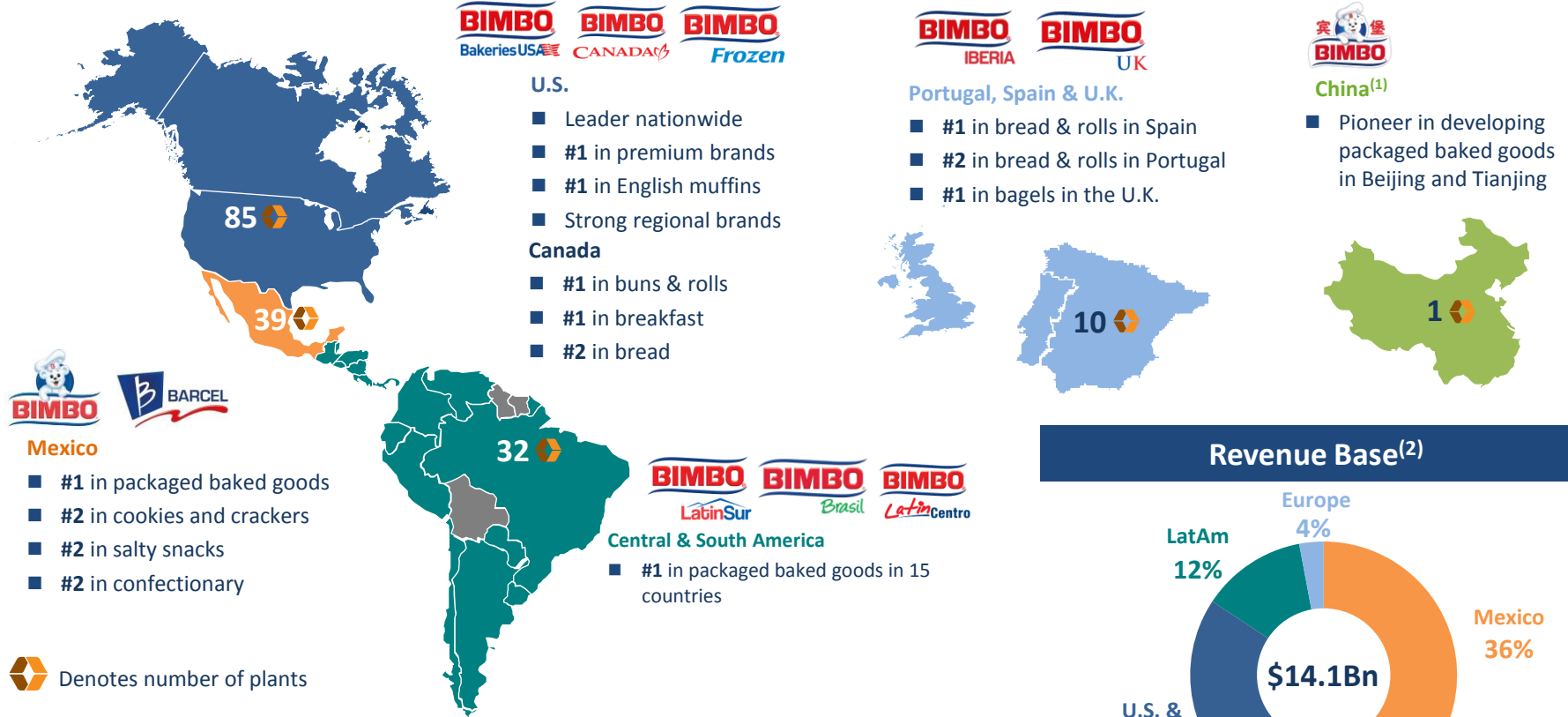
4

Unique Portfolio of Highly Recognized Brands and Innovative Products

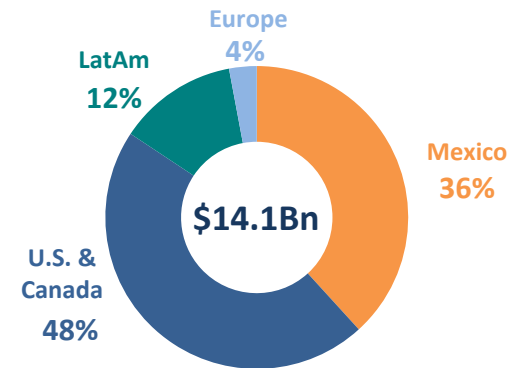
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Seasoned Management Team, Sound Governance & Strong Corporate Identity

# A Well Balanced Business with a Strong Leadership Position in each Market



## Revenue Base<sup>(2)</sup>



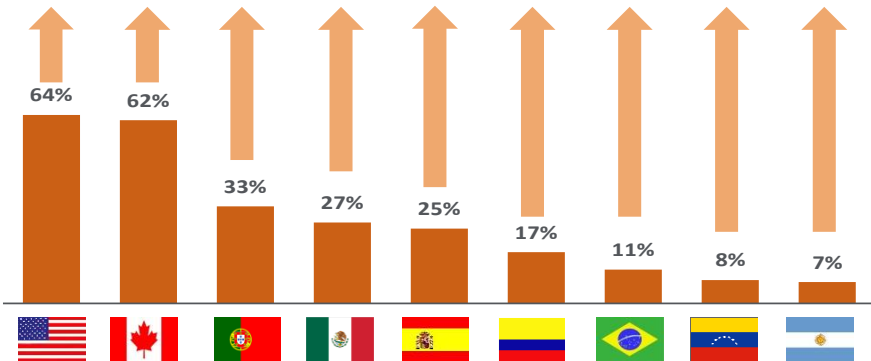
Source: Datamonitor  
 1. According to Company Research  
 2. 2014 revenues converted to US\$ with the average FX rate of the period

# Solid Growth Platform



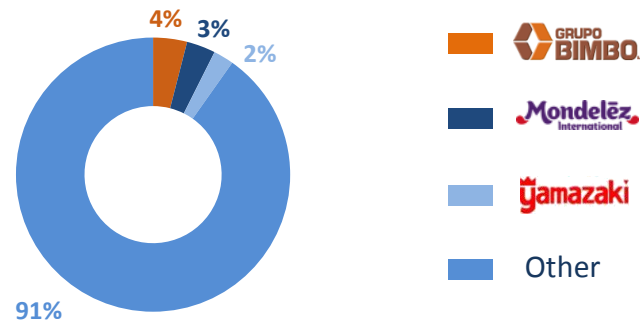
## Packaged Bread Penetration<sup>(1)</sup>

Opportunity to increase market penetration and leverage scale



## Global Baking Industry Market Share<sup>(2)</sup>

Plenty of room to continue growing



## Attractive Positioning to Boost Growth

-  Potential to increase penetration and bread consumption across the board
-  Top-of-mind brand recognition
-  Product innovation ahead of new consumer trends
-  Cross-selling opportunities and best practices
-  Leveraging the distribution network and footprint
-  Strengthening adjacent categories
-  Access to new markets and geographies with positive demographics

1. Datamonitor 2013 in volume. Industrial bread and rolls, Industrial cakes & pastries, Industrial morning goods

2. IBISWorld, March 2014. According to IBISWorld, global baking industry includes fresh and frozen breads and rolls, cookies, crackers, pretzels, fresh and frozen cakes, pies and other pastries and tortillas

# Seasoned Management Team, Sound Governance & Strong Corporate Identity



**Daniel Servitje**  
Chairman of the Board

**Audit Committee and Corporate Practices**  
(6 independent members)

**Results and Evaluation Committee**  
(5 members, 2 independent)

**Finance & Planning Committee**  
(7 members, 1 independent)

**Daniel Servitje**  
CEO

**Javier A. González**  
Executive VP of Grupo Bimbo

**Gary Prince**  
Executive VP of Grupo Bimbo

**Pablo Elizondo**  
Executive VP of Grupo Bimbo

**Guillermo Quiroz**  
CFO

**Alfred Penny**  
President of Bimbo Bakeries USA (BBU)

**Reynaldo Reyna**  
Chief Global Services

## Management

- Positioned the Company as market leader in the products and countries where present
- Proven track record of stability and sustainable growth
- Developed innovative ideas and best practices in manufacturing
- Successfully completed and integrated 46 acquisitions over the last 10 years

## Governance

- Corporate Governance aligned with shareholders' interest
- 44% of board members are independent
- 3 corporate committees

## Identity, corporate culture & citizenship

- GB ranks among the most respected companies of the world<sup>1</sup>
- Reputation built on a strong corporate identity and brand equity
- Key component of GB's corporate identity is its company-wide Social Responsibility Program   EMPRESA SOCIALMENTE RESPONSABLE
- Complies with WHO's Global Strategy on Diet and Physical Activity & Health 

1. According to the Reputation Institute (September 26, 2011)



# Unique Portafolio of Brands



- ✓ **Billion-dollar** brands with global presence
- ✓ Achieved **leadership** in core product categories in key markets
- ✓ **Top-of-mind** awareness that upholds consumer loyalty
- ✓ Introduction of **umbrella brands** adapted to local markets
- ✓ **Deep Consumer** understanding
- ✓ **Unique insight** within the different channels

## Power Brands, Coupled with Strong Regional Brands



# We are Developing Products and Categories that Lead New Megatrends



- ✓ New products capitalizing on consumer trends
  - Nutritional profile improvements with a health & wellness focus
- ✓ Five innovation and nutrition institutes for new and better product development
  - 2 in U.S., 1 in Mexico, 1 in Brazil & 1 in Canada

## Healthy

- Healthy ingredients
- Delicious & nutritious snack
- Consumer insider
- Innovative packaging



## Sensperience

- Share the experience
- Distinctive flavor
- High end products



## Authenticity

- Fresh to go
- Unique seasonal flavors
- Strong price realization



## Portion Control

- Delicious Taste & Quality
- Convenience
- Individual packaging
- Bite size snacks



# World Class Manufacturing Capabilities coupled with an Unparalleled Distribution Network



## Exceptional Manufacturing

- Focus in low-cost manufacturing and boost efficiency

- ✓ **167 manufacturing facilities in 22 countries**
- ✓ **More than 10,000 products**
- ✓ **≈ 40 million pieces daily**



- ✓ **Guarantees quality and freshness**
- ✓ **Exceptionally serves all of its distribution channels**
- ✓ **Global reach with strong local execution**
- ✓ **Contribute to the expansion of new categories**

## Unmatched Distribution Network

- Direct store distribution with one of the largest truck fleets in the Americas

- ✓ **1,700 sales centers**
- ✓ **Over 52,000 routes**
- ✓ **More than 2.4 million POS**



# 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
- › 133 reformulated products in 2013



**Planet**

- › Our wind farm in Mexico represents 23% of total energy consumption
- › Water consumption down 312k m<sup>3</sup>
- › 91% of wastes are recycled



**Community**

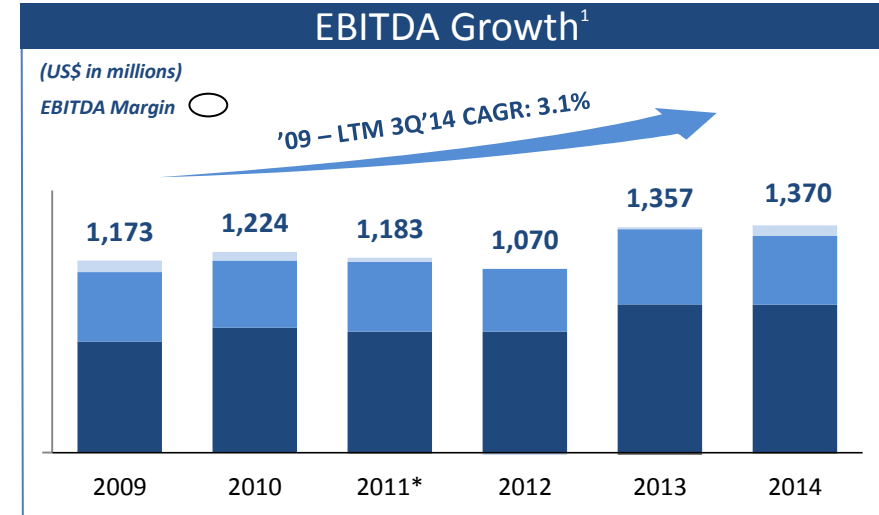
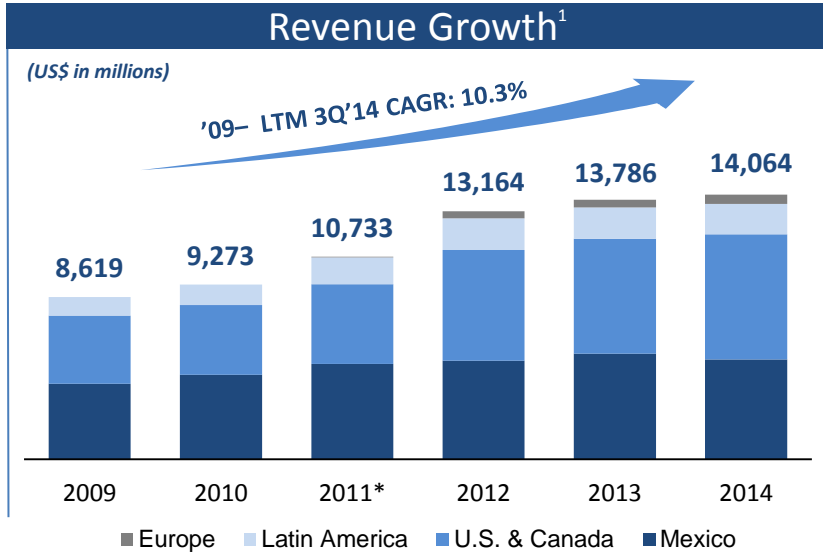
- › +300K credits to family owned business
- › 68K students benefited with nutritional education
- › “Limpiemos Mexico” +36K tonnes of trash collection



**Associates**

- › +129K associates in 22 countries
- › Solid ethics
- › Strong focus on leadership development

# Strong Financial Performance



GB	13.6%	13.2%	11.0%	8.1%	9.8%	9.8%
MX	16.5%	16.6%	14.3%	13.8%	15.8%	16.7%
U.S. & Canada	11.5%	10.9%	9.8%	6.4%	7.3%	6.2%
LatAm	7.0%	4.6%	1.7%	-1.1%	0.7%	3.9%
Iberia			-18.6%	-8.7%	-3.8%	-0.9%

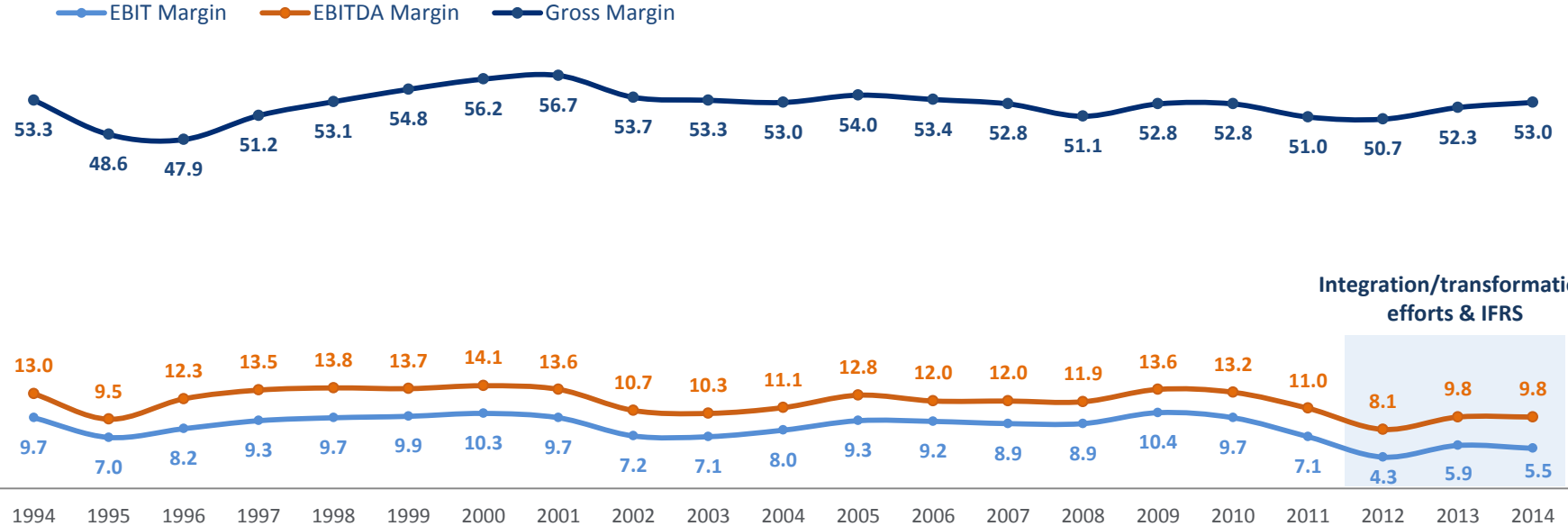
<sup>1</sup> Figures converted to USD using the 12M average FX rate for each year

\* Figures after 2011 in IFRS

# Cash Flow Stability Across Time Allows Long Term Planning and Risk Management



## Margins Evolution (%)



**Best-in-Class execution combined with a relentless focus on low cost operation in a resilient industry results in financial stability over time**

\* Figures after 2011 in IFRS

# Responsible Financial Policies



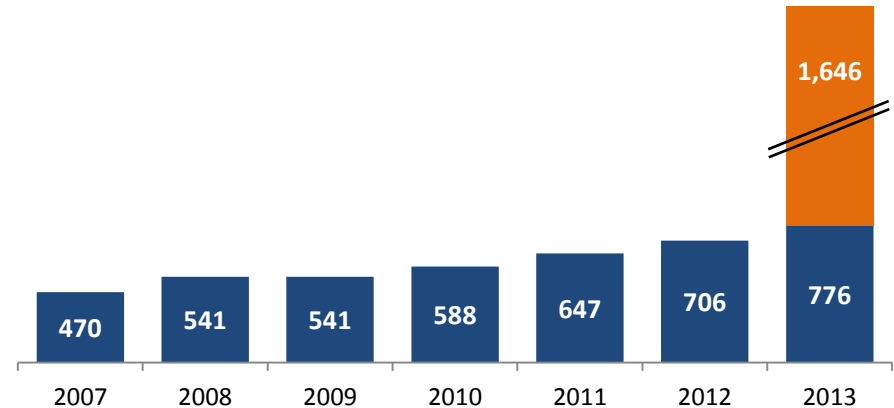
## Responsible Financial Management

- ✓ Commitment to a **strong Balance Sheet**
- ✓ Ongoing financial flexibility through a **US\$2 billion** multi-currency **revolving credit facility**, maturing on March 2019
- ✓ **Reinvestment** as the pillar of the company's long term view
- ✓ Conservative Risk Management Policy aligned with the company's strategy
  - Mitigate exposure to raw material cost fluctuation
  - Conservative approach towards FX and interest rate risks

## Dividend History<sup>(1)</sup>

(MXN in millions)

■ Ordinary Dividends      ■ Extraordinary Dividends



1. Dividend yield calculated with the stock price of the day the dividends were paid.

\*FX rates: 2007: 10.84; 2008:10.52; 2009:13.36; 2010:12.22; 2011:11.55; 2012: 13.11; Apr 2013:12.28; Dec 2013: 13.00

# Conservative Approach towards Leverage

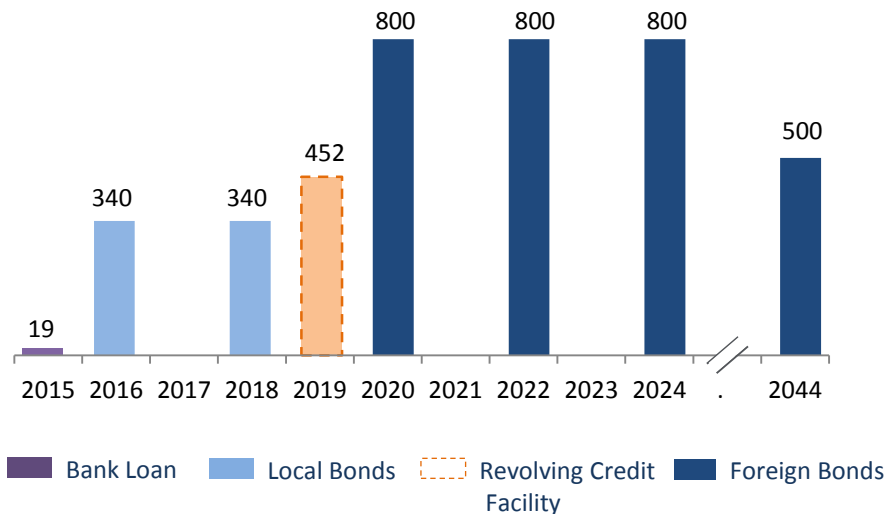


## Debt Amortization Profile<sup>(1)</sup>

Total Debt: **US\$4,051 mm**

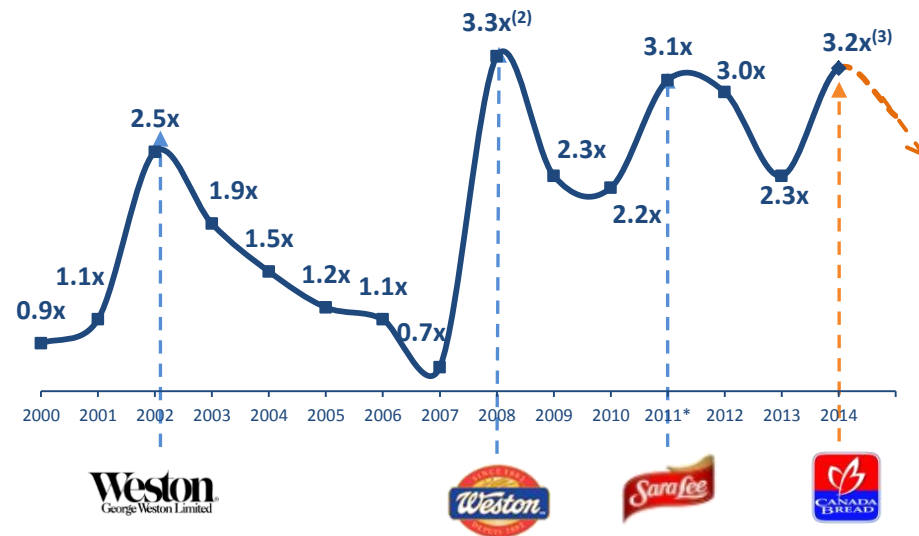
Avg. Tenor: **8.9 yrs.**

Avg. Cost: **4.4%**



## Track Record of Deleveraging

(Total Debt/EBITDA)



1. Debt amortization profile as of December 31, 2014. Figures converted to US\$ at the FX rate of 14.72Ps./US\$

2. Pro forma figures with Weston Foods acquisition

3. Taking into account 5 months of pro forma EBITDA of Canada Bread

\* Figures after 2011 in IFRS



# Recent Developments



# Canada Bread Acquisition



Canada Bread is one of the leading manufacturers and marketers of baking products with presence in Canada, North America and the U.K.



A **unique and sizable opportunity** to enter the Canadian baking market

- **2013 Revenues:** CAD\$1,454 million<sup>(1)</sup>
- **2013 EBITDA:** CAD\$176 million<sup>(1)</sup> (12.1% margin)

Purchase price: **CAD\$1,830 million**

## Compelling Acquisition Drivers

### Attractive Strategic Industry

- 📦 **Stable growth** and low price volatility
- 📦 **Frozen category** opportunity

### Market Position and Product Portfolio

- 📦 **Leader** in most Canadian provinces
- 📦 Strong relationships with large retailers

### Financial Upside

- 📦 Solid margins
- 📦 Accretive to EPS
- 📦 Cash flow diversification and financial stability

# Supan Acquisition



Supan's acquisition represented Grupo Bimbo's entry to the Ecuadorian market following its strategy to further strengthen its footprint in the Americas

## Transaction Rationale

- Leading bread producer in Ecuador
- Participates in the packaged bread, buns and sweet baked goods categories
  - **Revenue:** US\$57 mm
  - **EBITDA:** US\$6 mm
- Adds 2 production facilities located in Guayaquil and Quito and 900 associates

## Strong Brand Equity



## Products



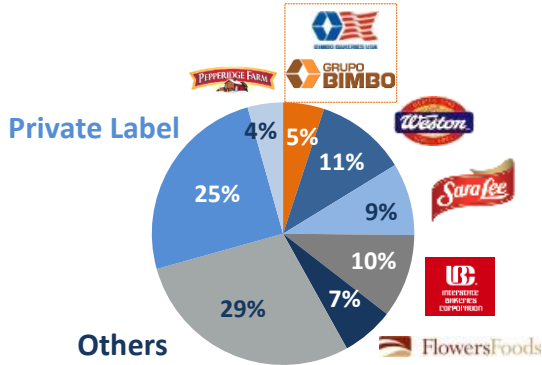
# BBU Transformation



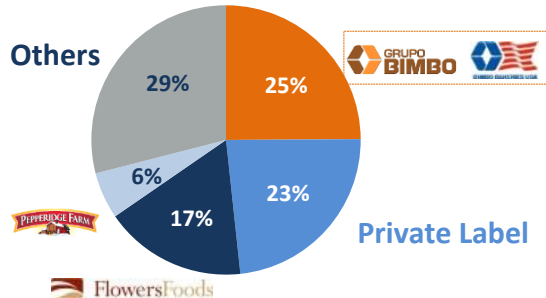
## U.S. Baking Consolidation

Evolving Competitive Landscape in the Last Decade

2004



Current



## Bimbo Bakeries USA (BBU) Transformational Work

Creating the New BBU



### Asset Strategy

- Closed 17 bakeries, opened 2 state-of-the-art bakeries
- Invest to ensure efficiency and capacity

### Distribution and Route Restructuring

- Sales centre consolidations
- Reconfiguration of DSD city by city
- Restructure of 80% of routes
- New lower cost distribution centers

### Information Technology

- Enabler for plant and route restructuring
- Supporting plant closures/openings and new distribution centers

### Portfolio Optimization

- Formula simplification and standardization
- Brand/Portfolio optimization
- Innovation

# Annex: Financial Results by Region

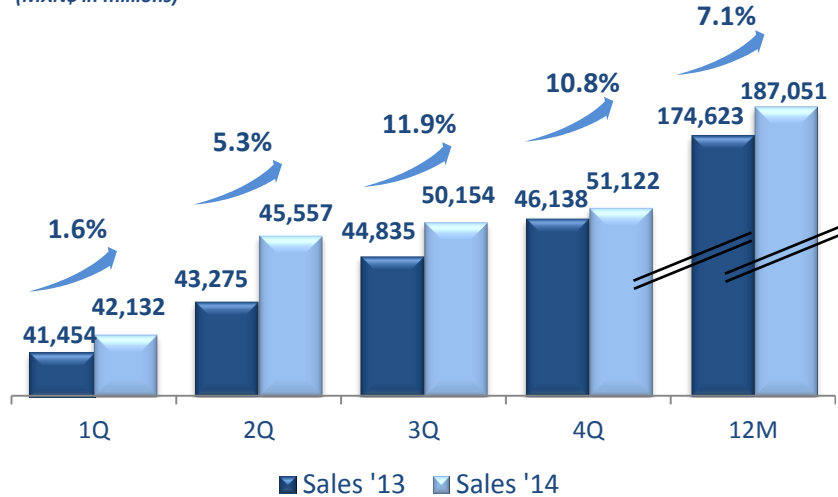


# Grupo Bimbo - Quarterly Results



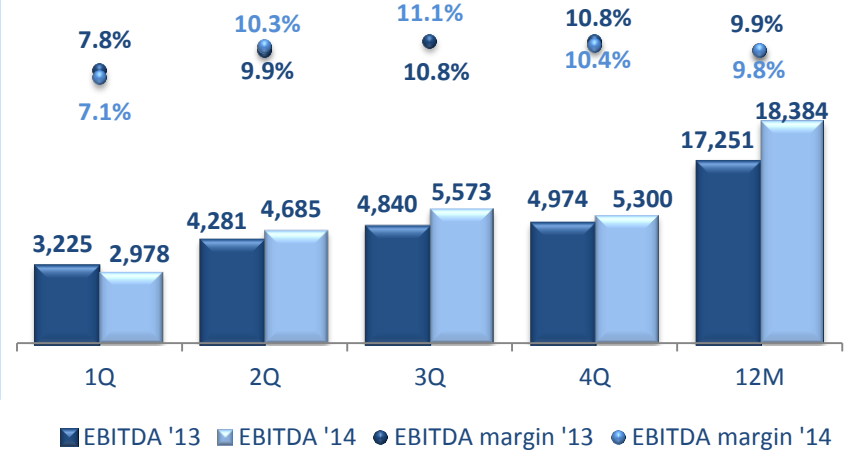
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✓ **Canada Bread** acquisition
- ✓ **Contiued strong performance in** Latam and Europe
- ✗ **Weak performance** in Mexico and U.S.

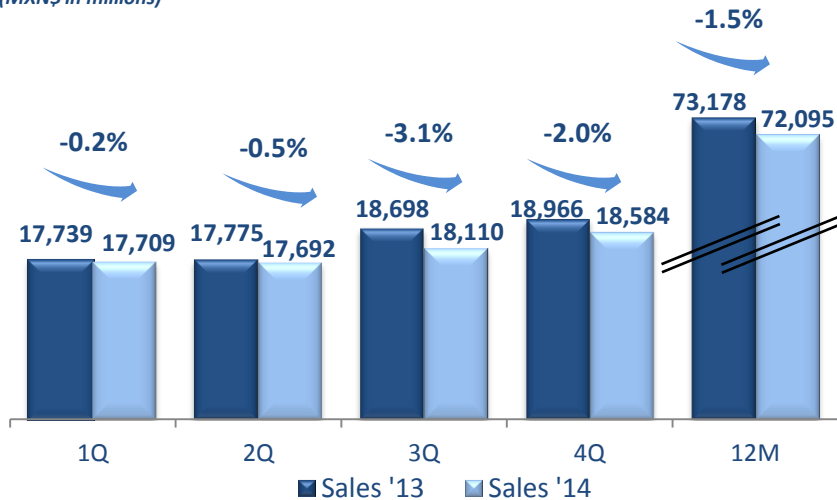
- ✓ **Lower inputs cost** in all regions
- ✓ Production efficiencies - **waste reduction / synergies** in the US
- ✓ Benefit of the Canada Bread **integration**
- ✗ **Integration expenses** in U.S.
- ✗ **Non-recurring** charges

# Mexico- Quarterly Results



## Revenue Growth

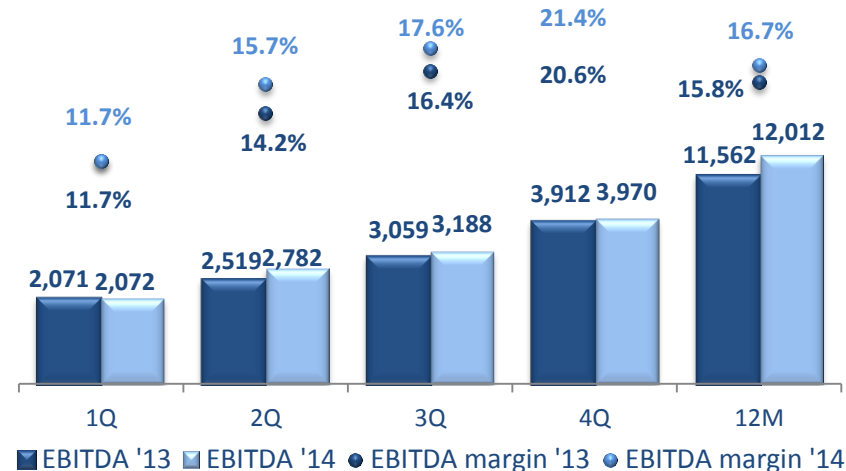
(MXN\$ in millions)



- ✗ Pressure on **volumes**
- ✗ **Weak** consumption environment

## EBITDA

(MXN\$ in millions)



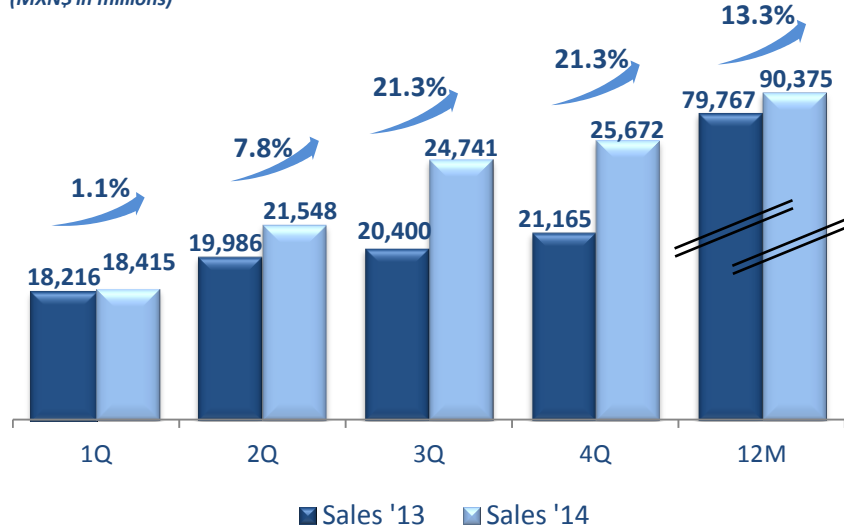
- ✓ Strict **expense control**
- ✓ Lower **distribution costs**

# US & Canada- Quarterly Results



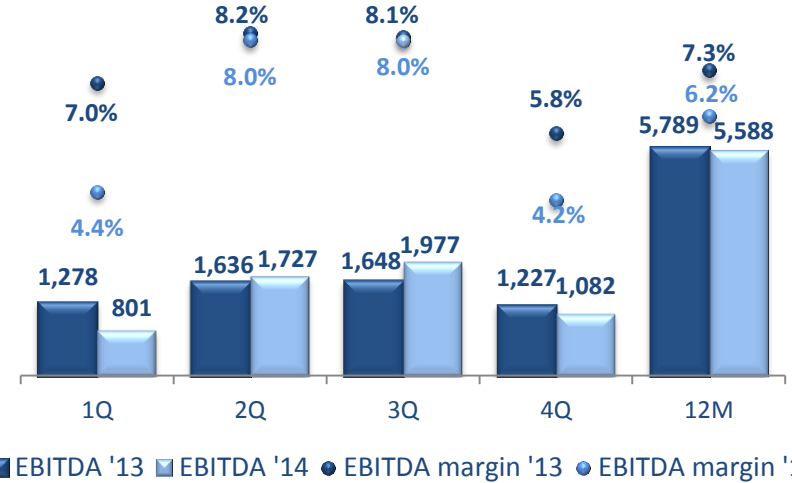
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✓ Canada Bread acquisition
- ✓ The **breakfast** and **snacks** categories outperformed
- ✗ **Volume decline**
  - ✗ More **competitive** market environment

- ✓ Production efficiencies- **waste reduction/ synergies**
- ✗ **Integration/restructure** related expenses

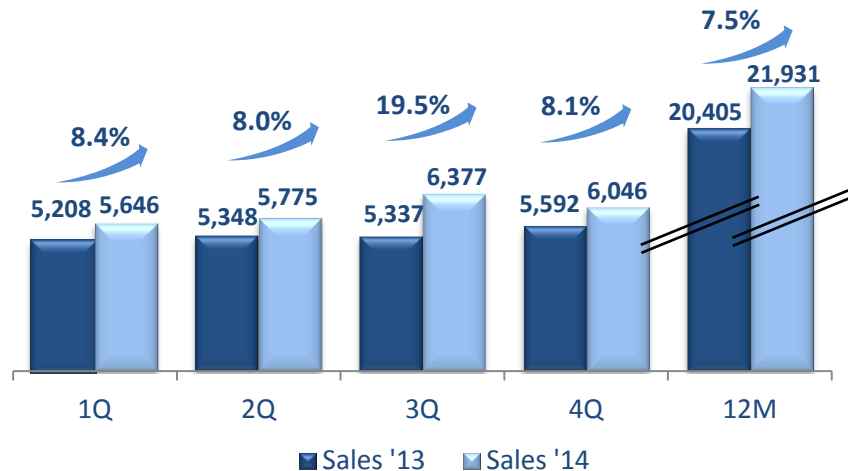


# Latin America- Quarterly Results



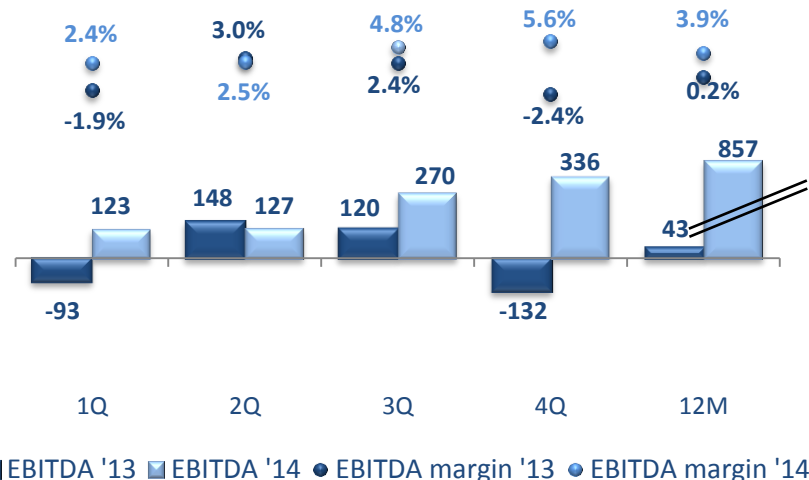
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✓ Positive **sales growth** (in local currencies)
- ✓ Notable **performance** in Brazil, Chile, Uruguay and Central America

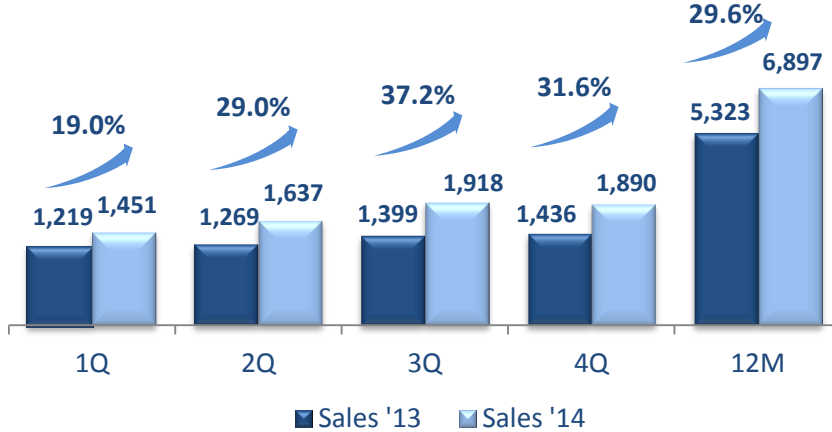
- ✓ **Lower** raw materials

# Europe - Quarterly Results



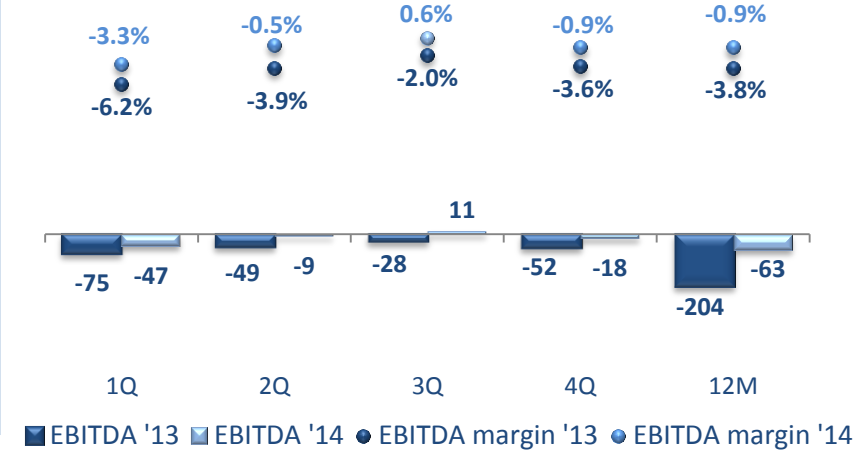
## Revenue Growth

(MXN\$ in millions)



## EBITDA

(MXN\$ in millions)



- ✓ **Integration** of the UK operation
- ✓ **Strong** organic growth

- ✓ **Lower** raw materials
- ✓ **More efficient** cost structure – operational improvements

Thank you



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