



C O R P O R A T E  
P R E S E N T A T I O N  
D E C E M B E R 2 0 2 3





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## FORWARD-LOOKING STATEMENT

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.

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The 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.

*All the information contained in this document is prepared in accordance with International Financial Reporting Standards (IFRS) as of December 31, 2023, unless otherwise stated.*

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# Grupo Herdez

**+100**

Years of Experience



**Impulse**

Cielito  
HELADOS Nestlé  
CHILIM BALAM  
NUTRISA.  
amoyo

Doña María

Búfalo

Del Fuerte

Barilla

McCORMICK

HERDEZ

AIRES DE CAMPO

**Preserves**

**+25 Brands**

Commercial Leadership

**3 segments**

Diversified Portfolio

**Exports**

MegaMex FOODS

WHOLLY BRAND

Doña María BRAND

Búfalo

Del Fuerte

CHI-CHI'S BRAND

DON MIGUEL Tradition & Taste Since 1908

Embasa BRAND

HERDEZ Brand

La Victoria Since 1917



# Strategic Components for Development

## Sustainability

The sustainability strategy of Grupo Herdez aims to address the concerns and expectations of its key stakeholders.

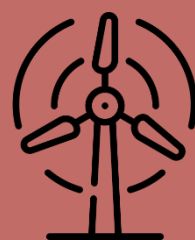


## Innovation

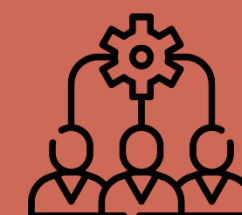
Allows us to ensure the satisfaction of the needs and expectations of our customers and consumers, under strict profitability, strategic potential, and sustainability standards.



01



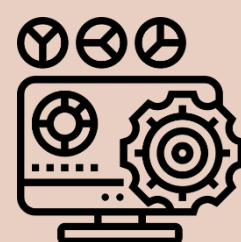
02



Sound Financial Structure

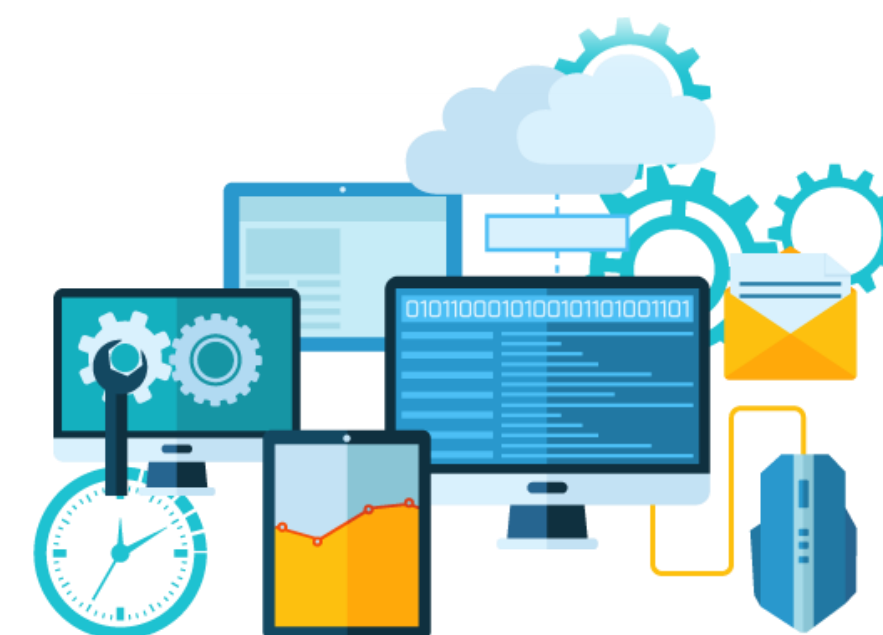


03



## Digital Transformation

Through the integration of digital technologies across the organization, we are fundamentally changing how we operate and deliver value to our clients, consumers, and personnel.



# Sustainability Strategy

We are signatories to the United Nations Global Compact and are committed to the following SDGs:



## Community



2. Zero Hunger



## People



8. Decent Work and Economic Growth

5. Gender Equality



## Planet



7. Affordable and Clean Energy

12. Responsible Consumption and Production



6. Clean Water and Sanitation



13. Climate Action



## Main Results

**4.3%** Of our consolidated net income is invested in social programs

**+42** Thousand people benefited from food safety, marketing, safety and hygiene programs

**3.0B** Successfully issued MXN 3.0 billion in Sustainability-linked bonds in the local market.

Decent working conditions for more than 10 thousand people.

We created Semillero Nutrisa to promote growth at women-owned SMEs.



We have taken part in the UN Global Compact for a decade.

**84%** Of the waste we generate gets recycled.

**73%** Of our energy consumption comes from clean sources

**2.0%** Of our consolidated net income is invested in environmental initiatives

## Awards



### Carbon Disclosure Project

Rating 2022

Forests : D

Water : C

Climate Change: C



Rating 2023: A

It aims to measure the resilience of the company to ESG risks over the long term.



Rating 73.18

Its objective is to measure the company's resilience to ESG risks over the long term.

## Certifications & Scores

ABC Company Incorporated  
Food Products

S&P Global CSA Score 2023  
A key component of the S&P Global ESG Score

**43** /100

As of August 25, 2023.  
The S&P Global Corporate Sustainability Accessibility (CSA) Score is the S&P Global ESG Score without the inclusion of any modeling approaches. Company scores can be compared to their peers in the same industry. Learn more at [spglobal.com/esg/scores](https://www.spglobal.com/esg/scores)

S&P Global

Sustainable1



ISO50001 Energy Management  
Three plants



ISO140001 Environmental Management  
One plant



Clean Industry  
One plant



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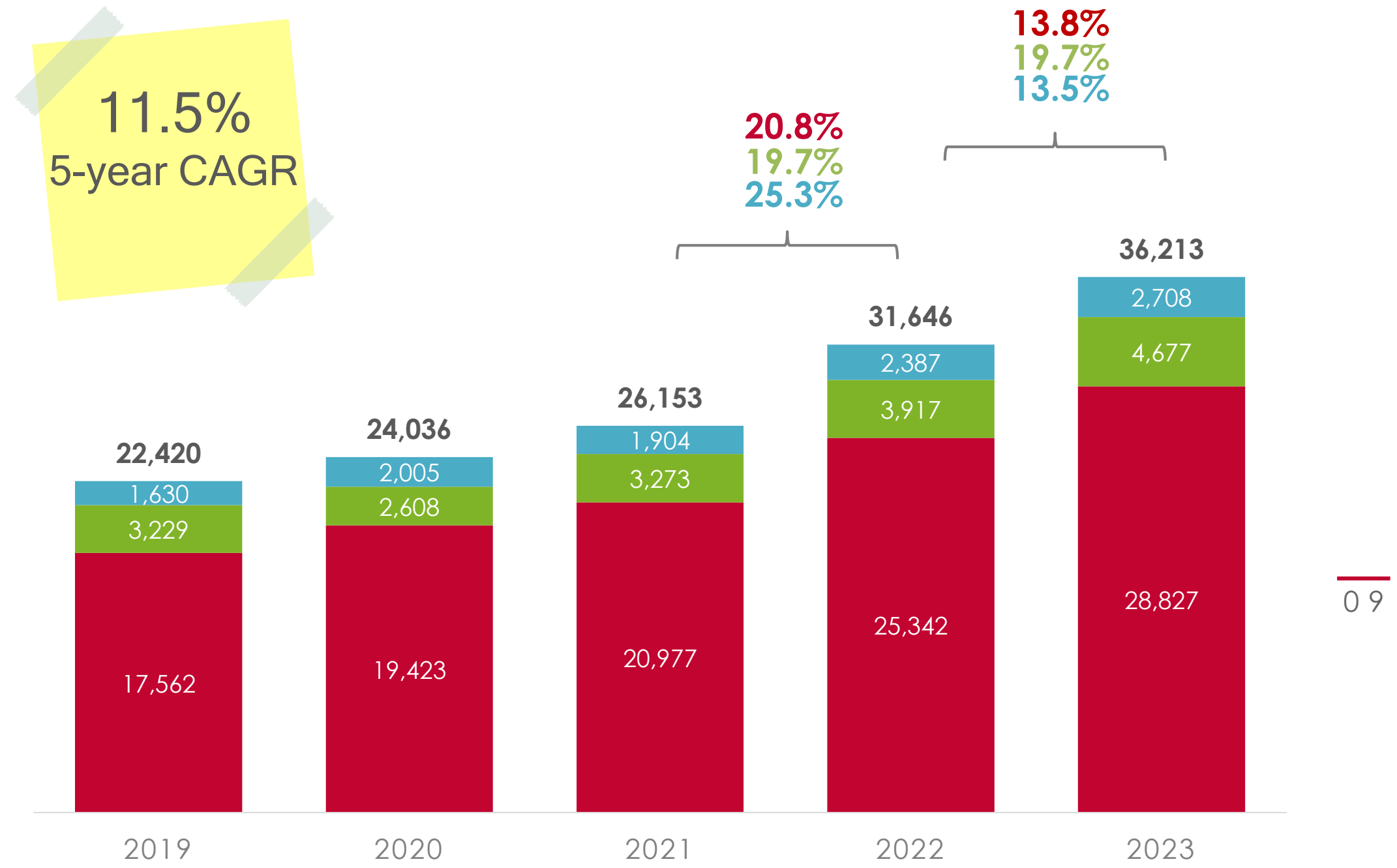




# Net Sales

## Solid and sustained growth

- Net sales have tripled in the last ten years.
- We are #1 or #2 in categories that represent 86% of our sales in México.
- 99% of Mexican households buy our products.
- Each household in Mexico buys our products 19 times on average throughout the year.



Figures in millions of Mexican pesos

■ Preserves

■ Impulse

■ Exports



80%



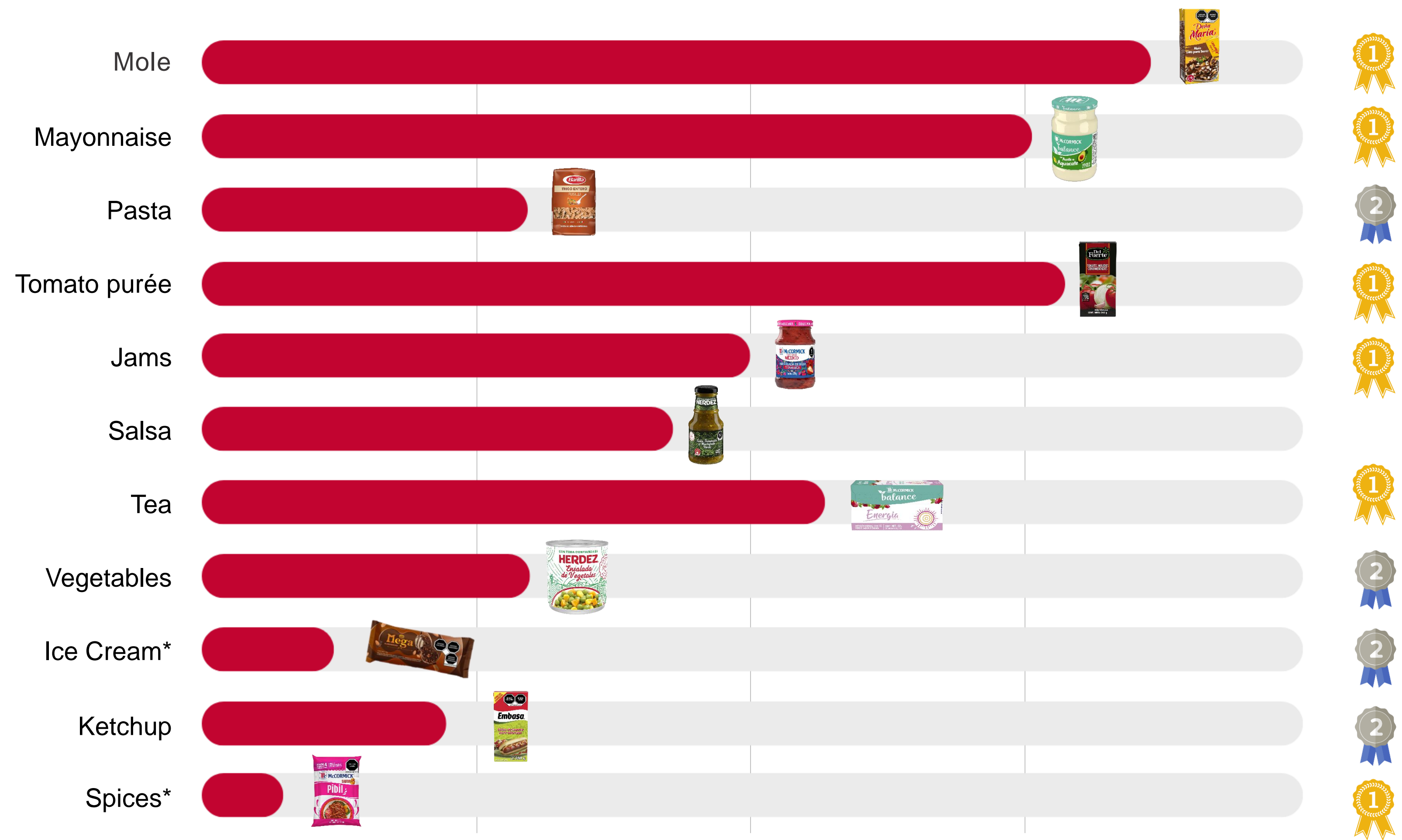
13%



7%



# Market Share



# Preserves Performance



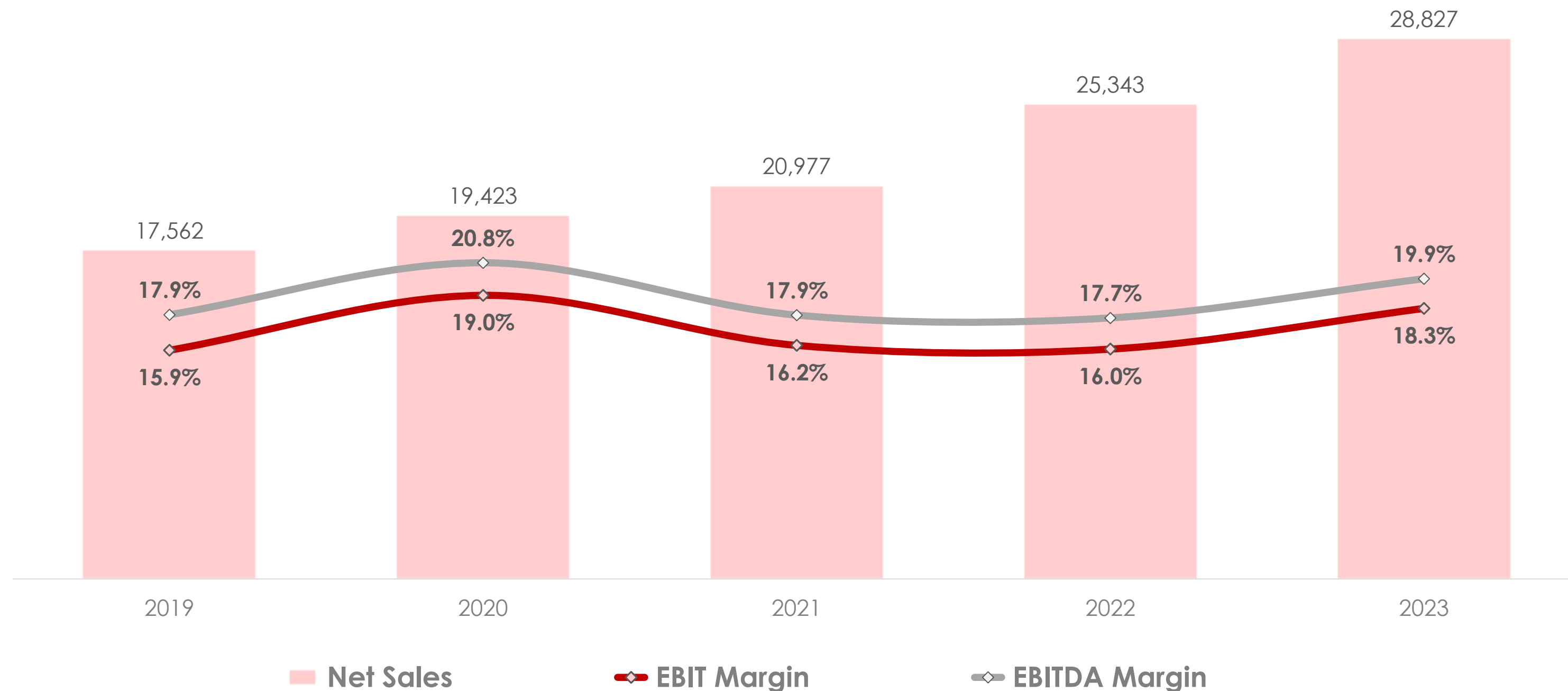
## CAGR 5 YEARS:

Net Sales : 11.9%

EBIT: 14.1%

EBITDA: 13.7%

CAGR= Compound Annual Growth Rate



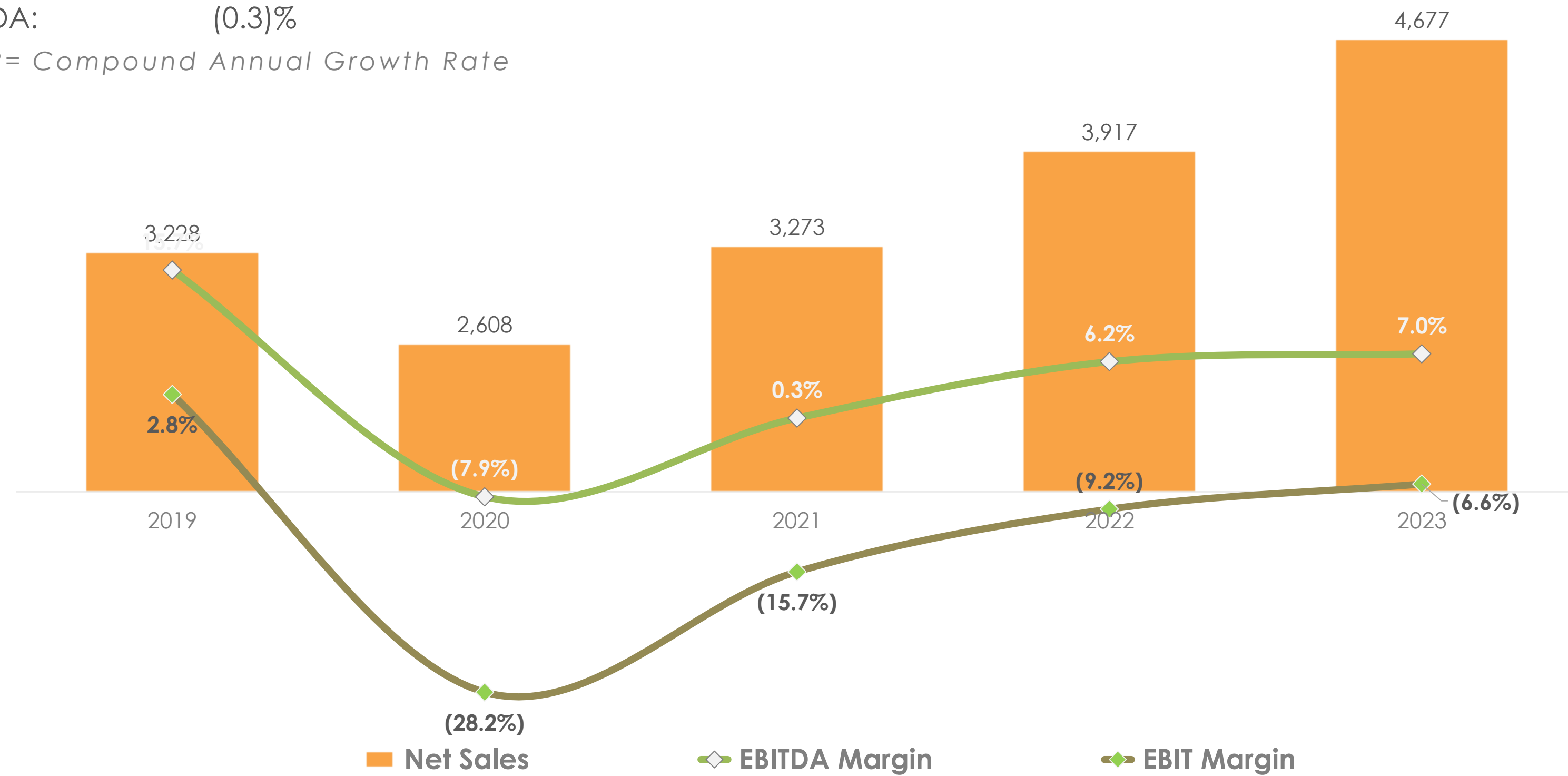
# Impulse Performance



## CAGR 5 YEARS

Net Sales: 9.4%  
 EBIT: NM  
 EBITDA: (0.3)%

CAGR= Compound Annual Growth Rate



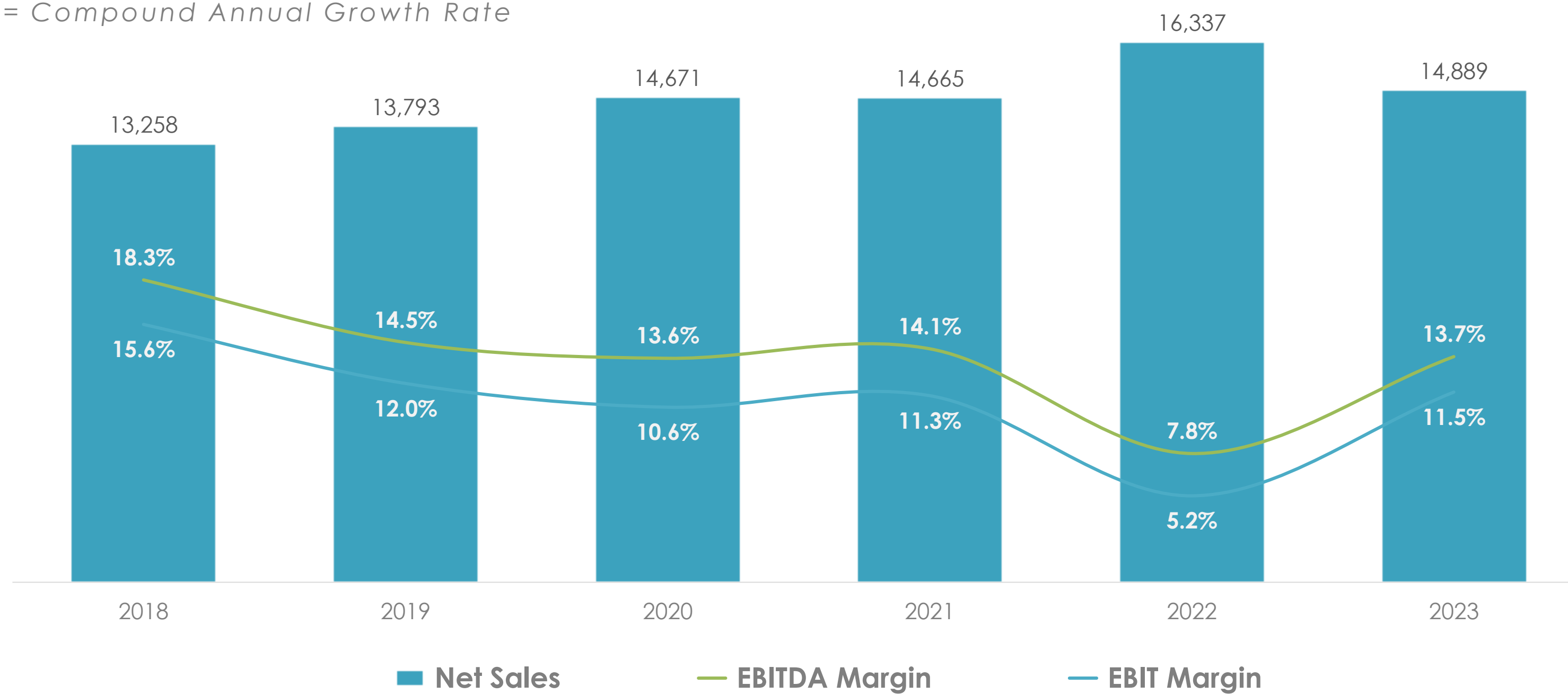
# Megamex Performance



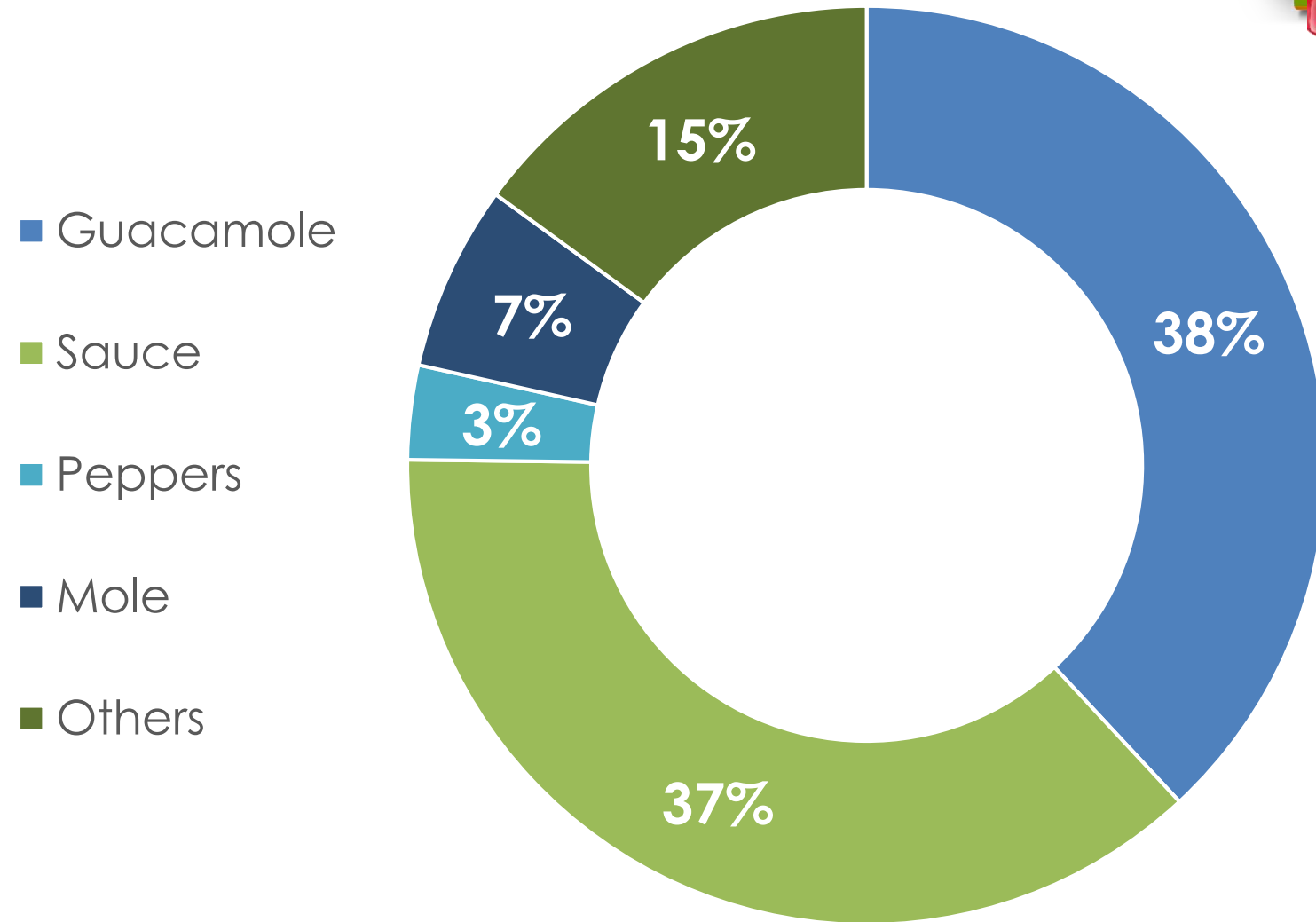
## CAGR 5 YEARS

Net sales: 2.3%  
 EBIT: (3.7)%  
 EBITDA: (3.5)%

CAGR= Compound Annual Growth Rate



# MegaMex Snapshot



## Market Share

- **84%** mole
- **33%** guacamole
- **14%** sauce



## “Reimagining Mexican Flavor”



Salsas and Sauces  
Innovation to grow  
MegaMex Market Share



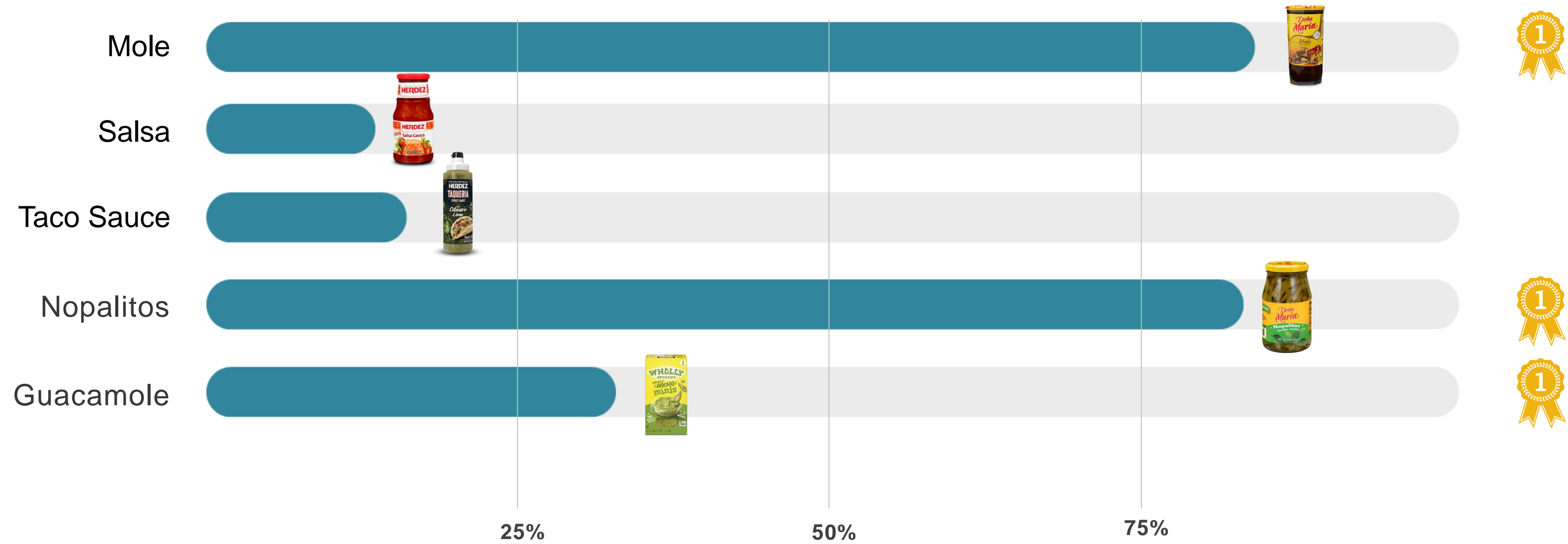
Avocado for all.  
Increase household  
penetration.



Food away from home,  
accelerating penetration  
in this segment



# Market Share



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# Sales Performance by Segments

## Highlights of the quarter

Mayonnaise, tomato purée, mole, spices and pasta were the best-performing categories for the quarter.

**11.9%**  
5-year CAGR

Impulse performance was driven by the strong performance of the traditional channel in Helados Nestle, mainly pharmacies and convenience stores.

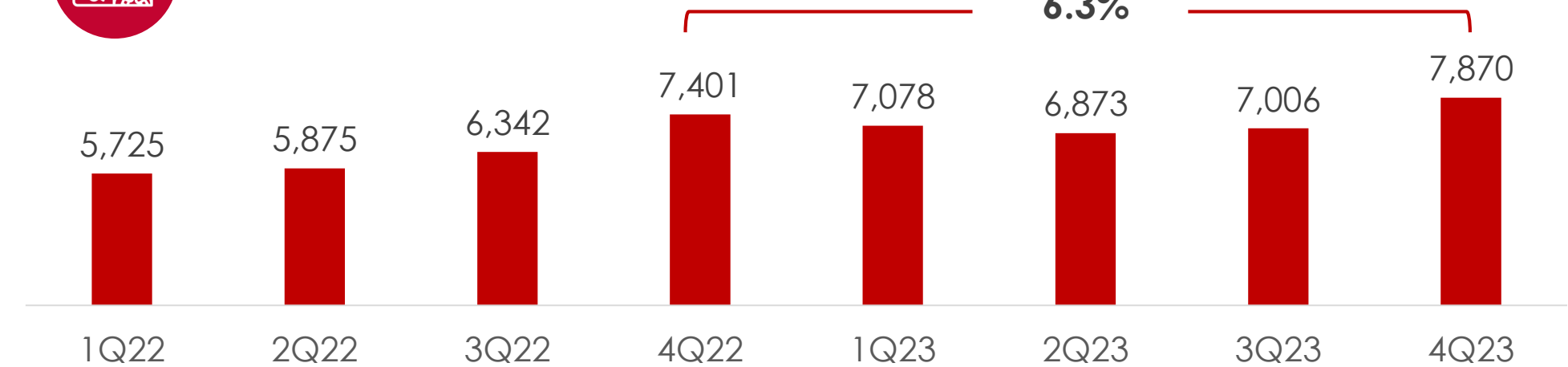
**9.4%**  
5-year CAGR

Exports surged due to a doubling in the volume of vegetables, while peppers and homestyle salsas grew by over 25%. Additionally, the new format and expansion into new regions boosted mayonnaise sales.

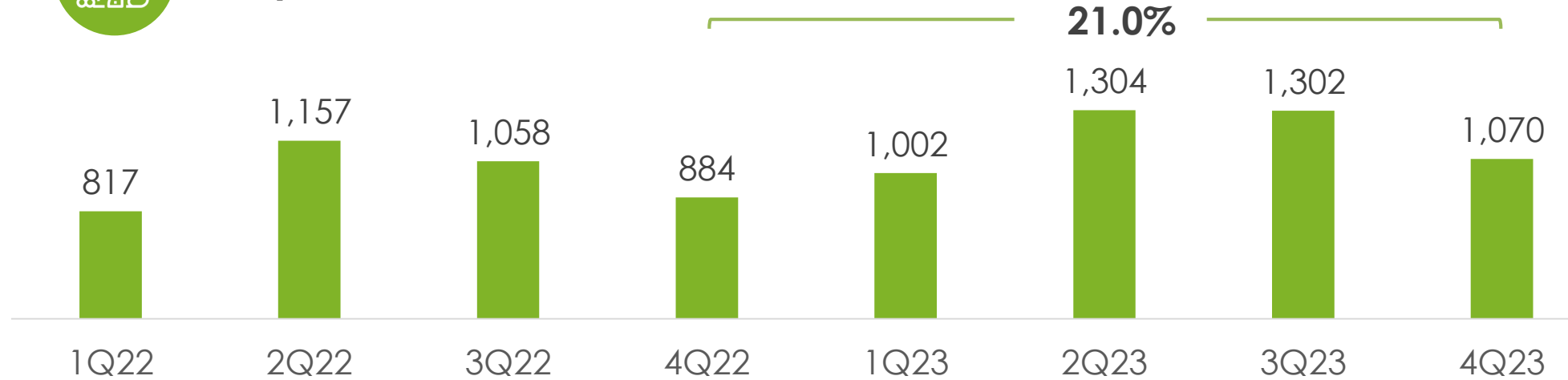
**12.1%**  
5-year CAGR



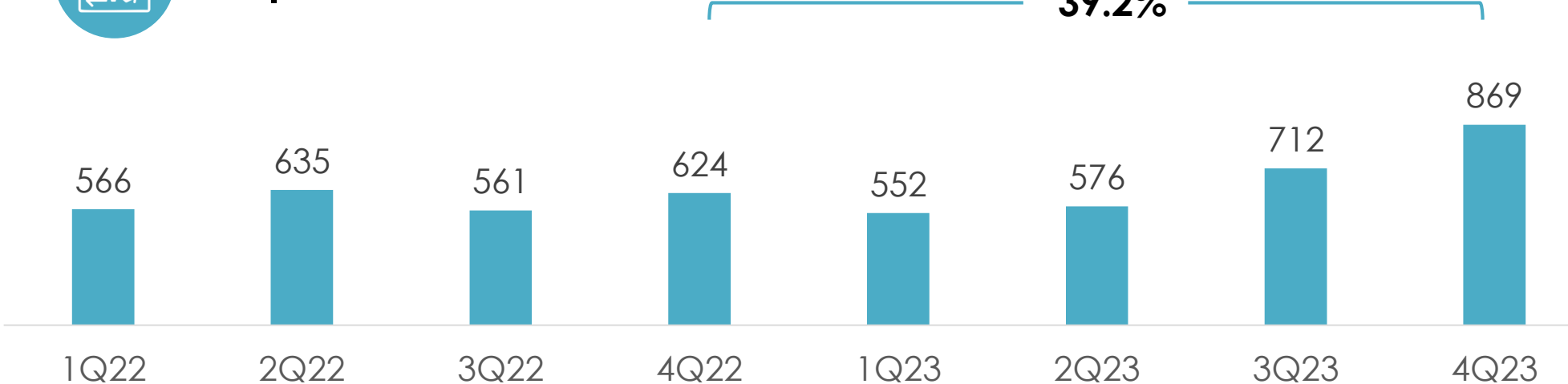
### Preserves



### Impulse



### Exports

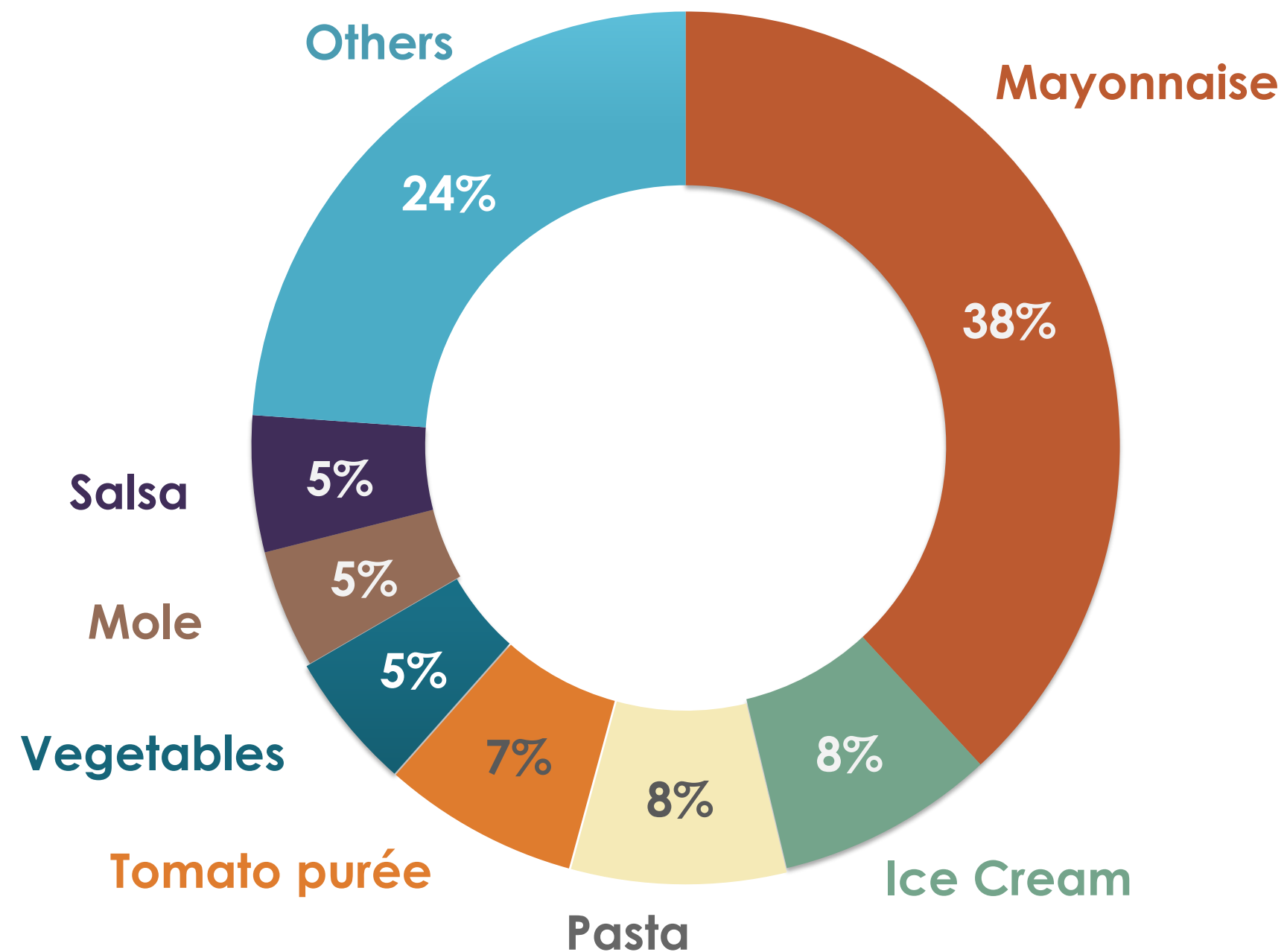


Figures in millions of Mexican pesos

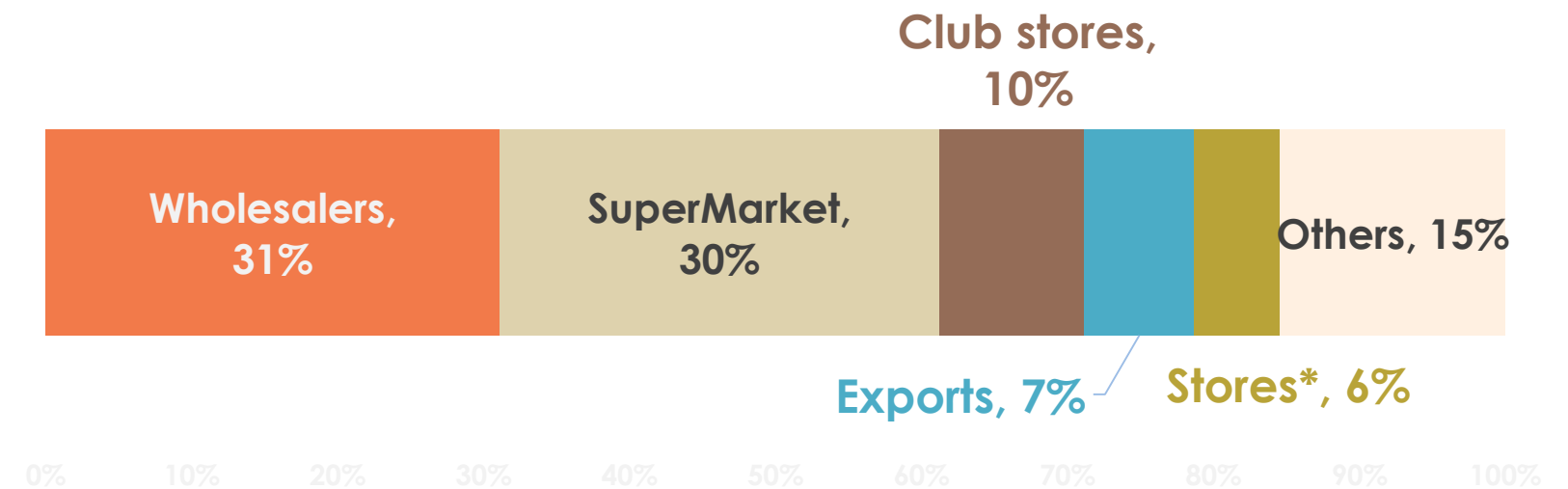


# Sales Mix

By Category



By Channel\*

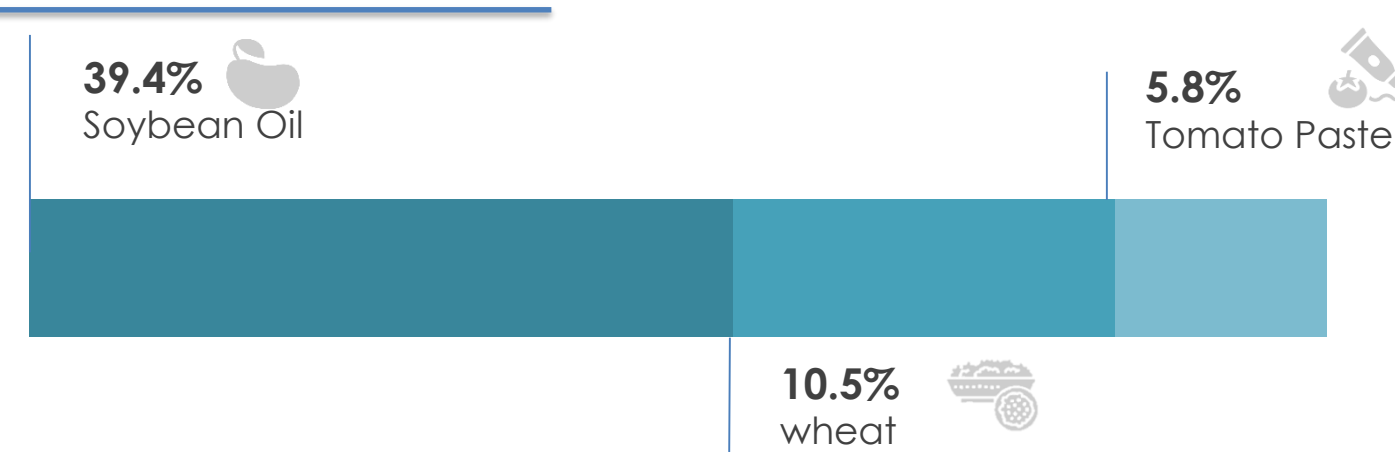
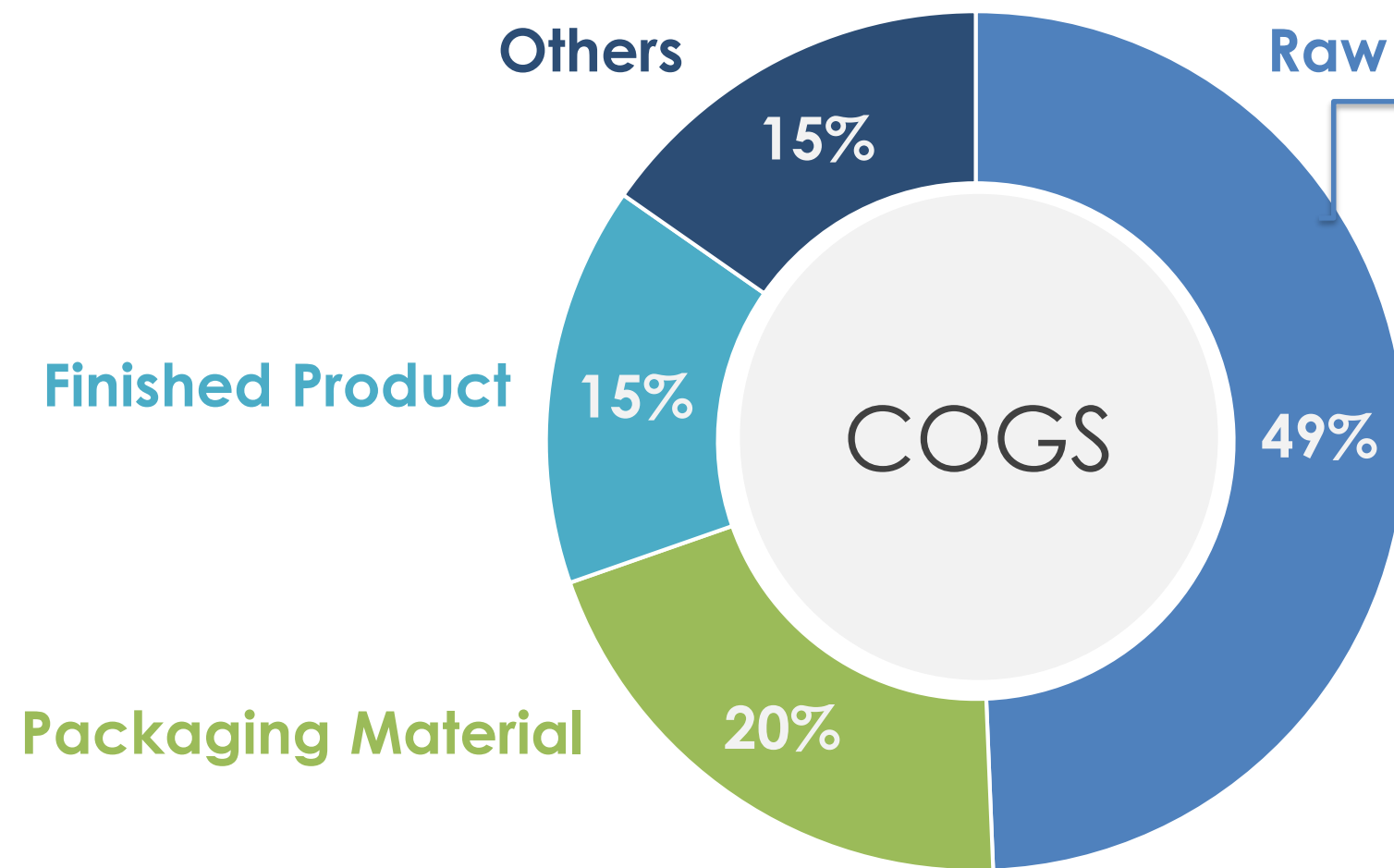


**Maintain our leadership on the categories in which we participate**

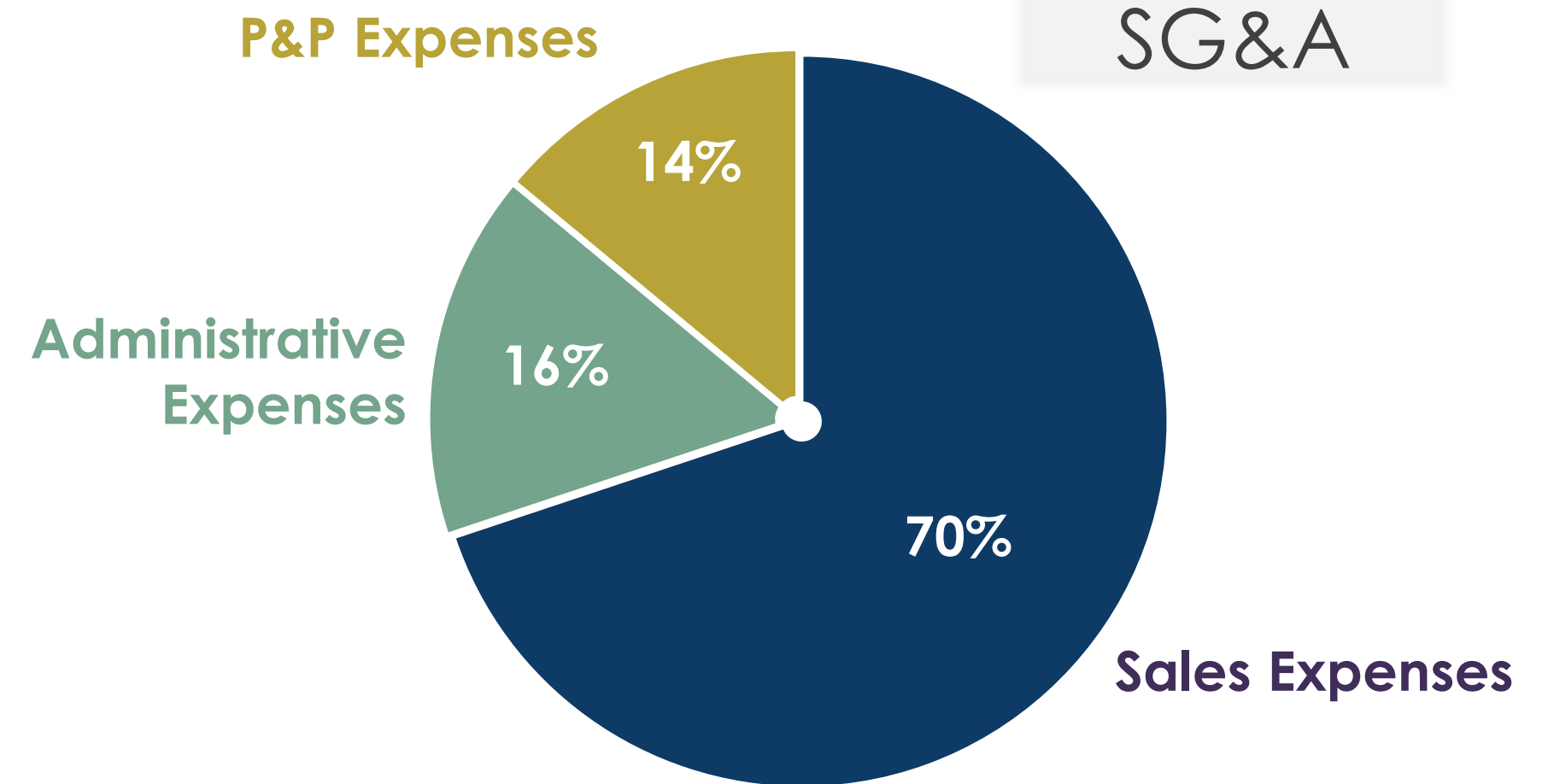
- We innovate to satisfy new consumption needs.
- We expand the Premium portfolio of our brands.
- We promote responsible consumption habits



# Distribution of Costs and Expenses



Accumulated Information as of December 31, 2023

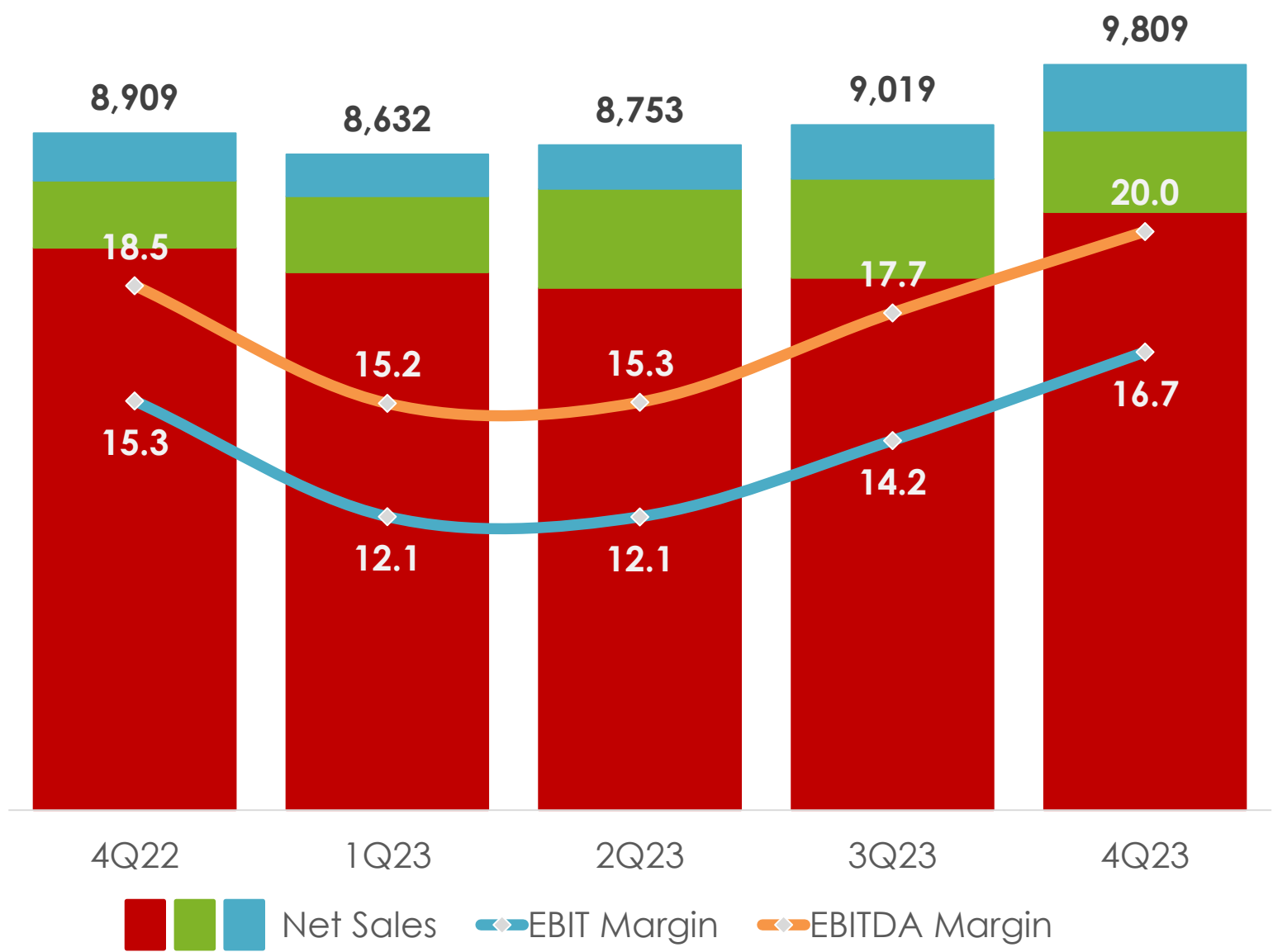


Accumulated Information as of December 31, 2023



# Profitability

## Profitability by Segment



Figures in millions of Mexican pesos

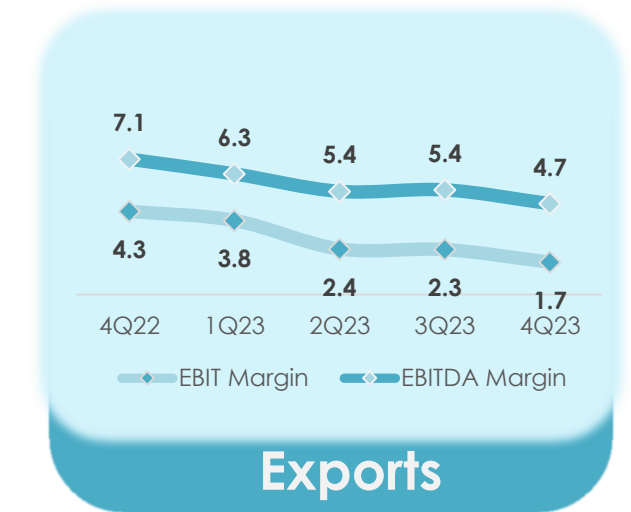
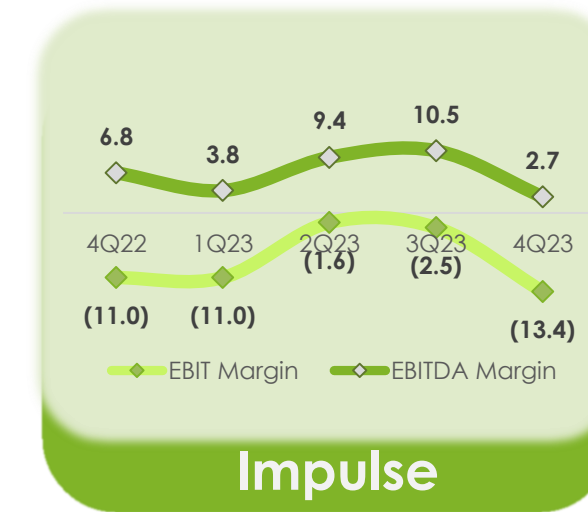
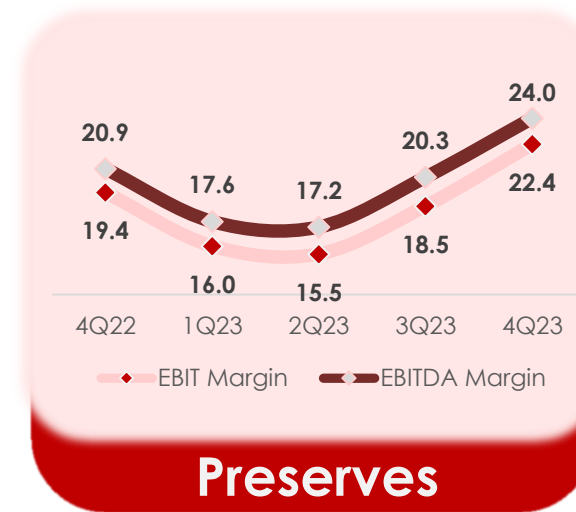
Preserves



Impulse



Exports



## Margin Recovery

- Preserves operating margin expanded 3.0 percentage points explained by gross margin expansion.
- Gross margins in the Preserves and Impulse segments increased by 5.0 and 2.0 percentage points respectively, driven by lower prices for key raw materials and the appreciation of the Mexican peso. In the Exports segment, the margin held steady at 9.8%.
- Consolidated SG&A represented 24.3% of net sales mainly due increases in marketing in the Preserves segment.

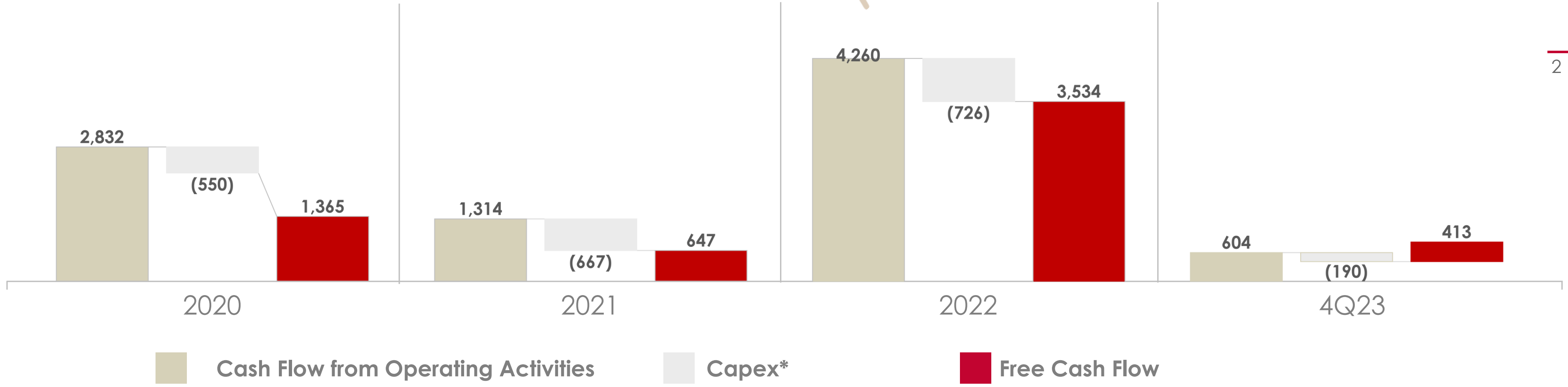


# Free Cash Flow

*2022 level reflect efficiencies in WC, mainly accounts receivable and accounts payable*

Inventory Days - 8  
 Payable days +9  
 Receivable days -12

Consolidated figures in millions of pesos



\*CAPEX includes the purchase and sale of property, plant and equipment. For 2020, CAPEX excludes extraordinary income from the sale of the tuna vessel.



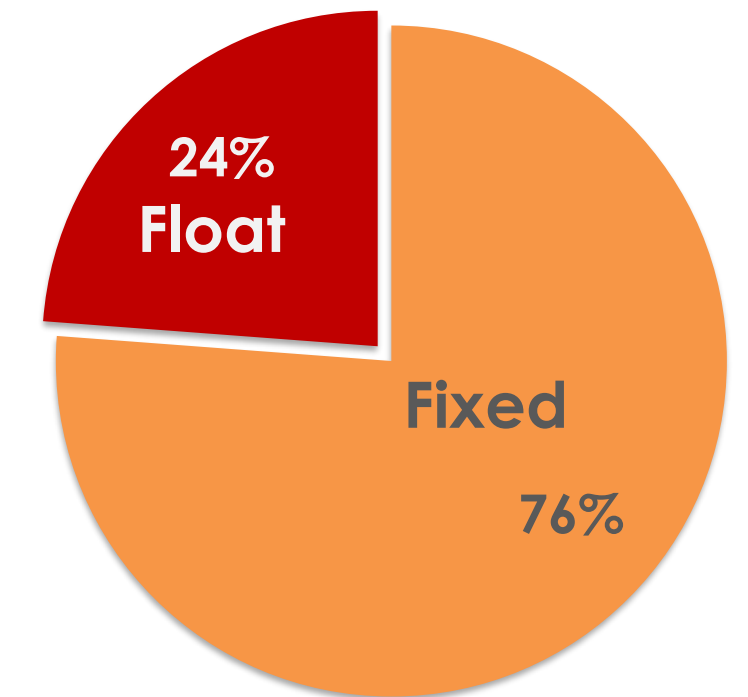
# Debt Structure

<b>Financial Debt</b>	<b>9,500</b>
Average Cost	10.0%
Net Debt/ EBITDA	1.4
Net Debt / Shareholders Equity	0.5

## Debt Rating

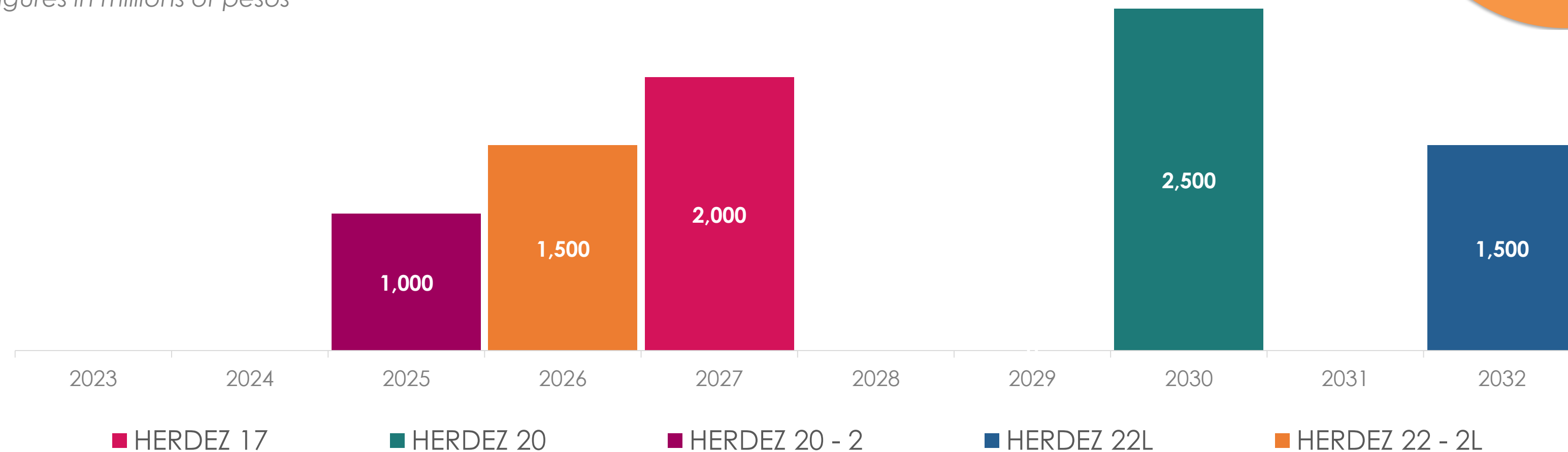
S&P Ratings	Fitch Ratings
mxAA	AA(mex)
Stable	Stable

## Rate Mix

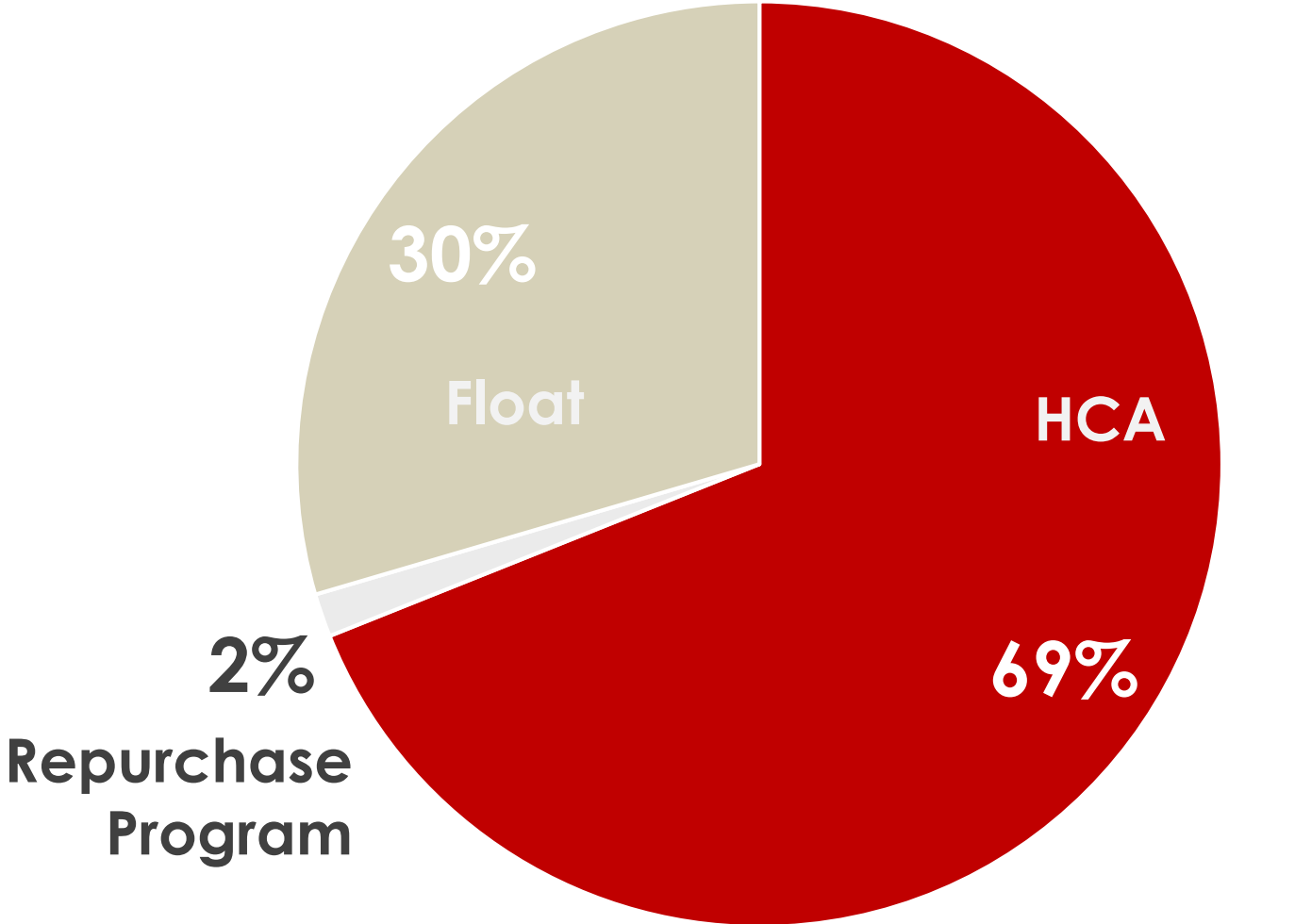


## Maturities

figures in millions of pesos

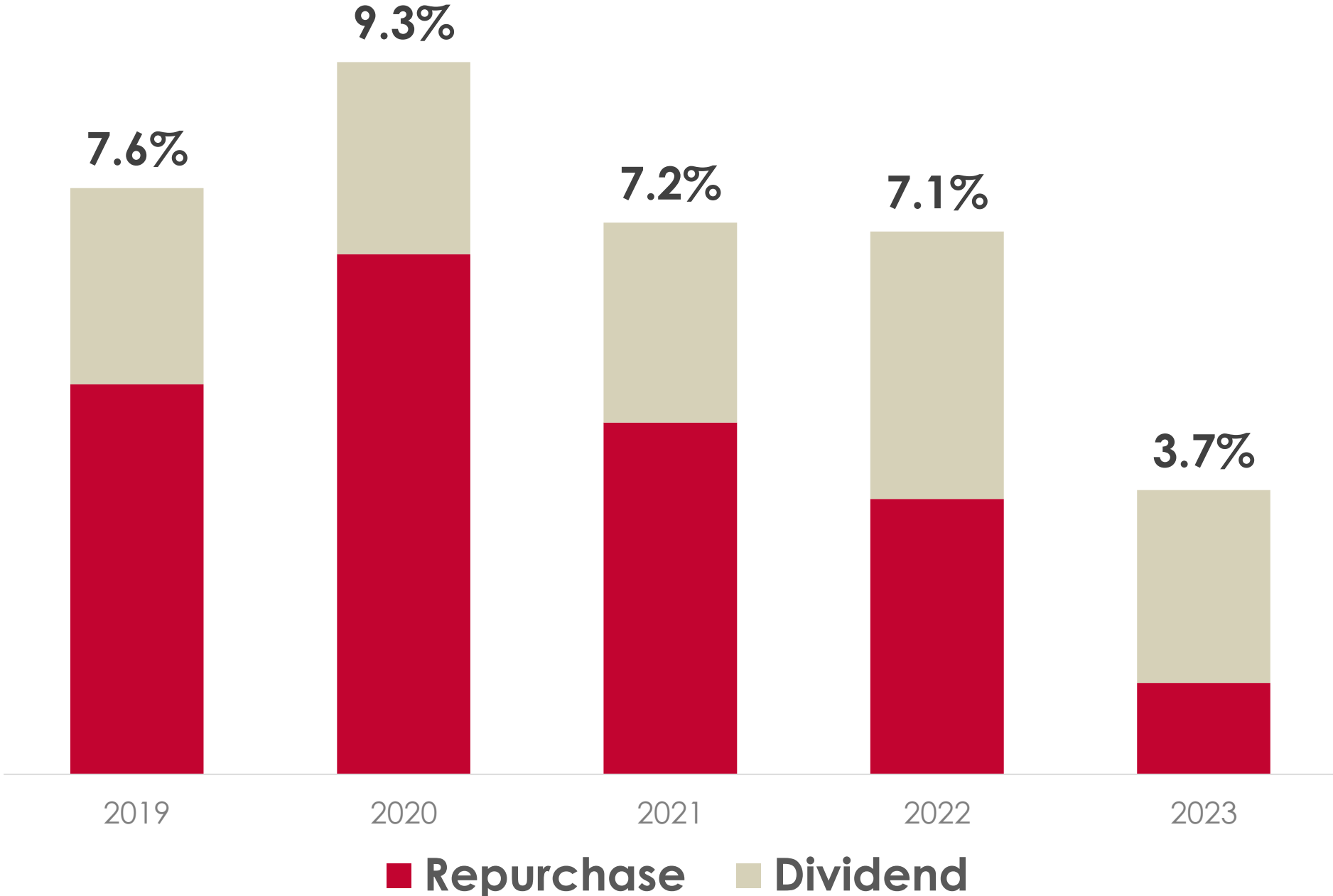


# Shareholders Return



Shares Outstanding: 335,056,630

## Yield



\*YIELD includes dividends and share repurchases



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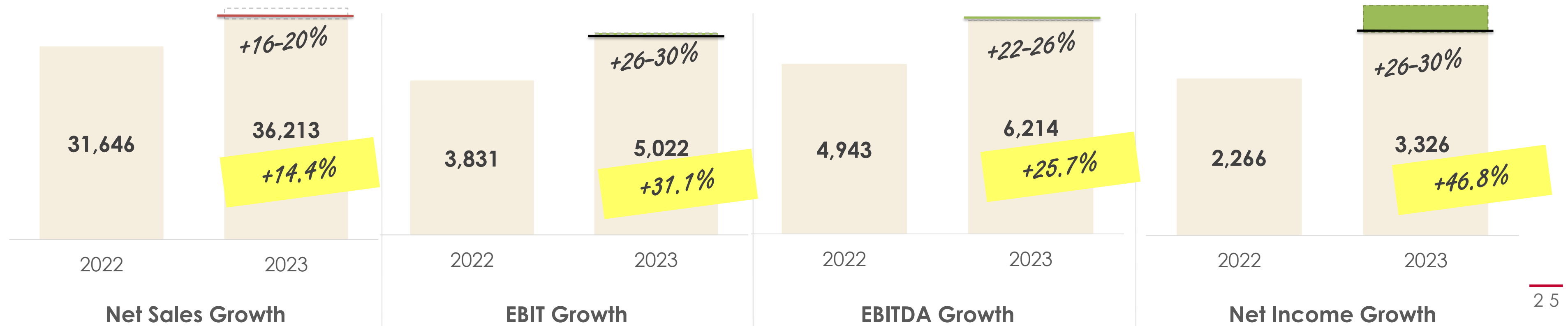
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# Guidance 2023

## Consolidated



## Segments



### Preserves

Net Sales +16-20%

EBIT +21-25%

EBITDA +22-26%



### Impulse

Net Sales +22-26%

EBIT +25-29%

EBITDA +33-37%



### Exports

Net Sales +9-13%

EBIT +24-28%

EBITDA +17-21%





# ANNEXES

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# Leading Brands

## PRESERVES



## Our Brands in Mexico

## Our Brands in the U.S.



## Distribution Agreements in Mexico



# Corporate Structure



50%

McCormick México  
since 1947

50%

Barilla México  
since 2002

50%

Herdez Del Fuerte  
since 2008

100%

Impulse  
Nutrisa 2013  
Helados Nestlé 2015  
Cielito Querido Café 2019  
Moyo 2019  
Chilim Balam 2021



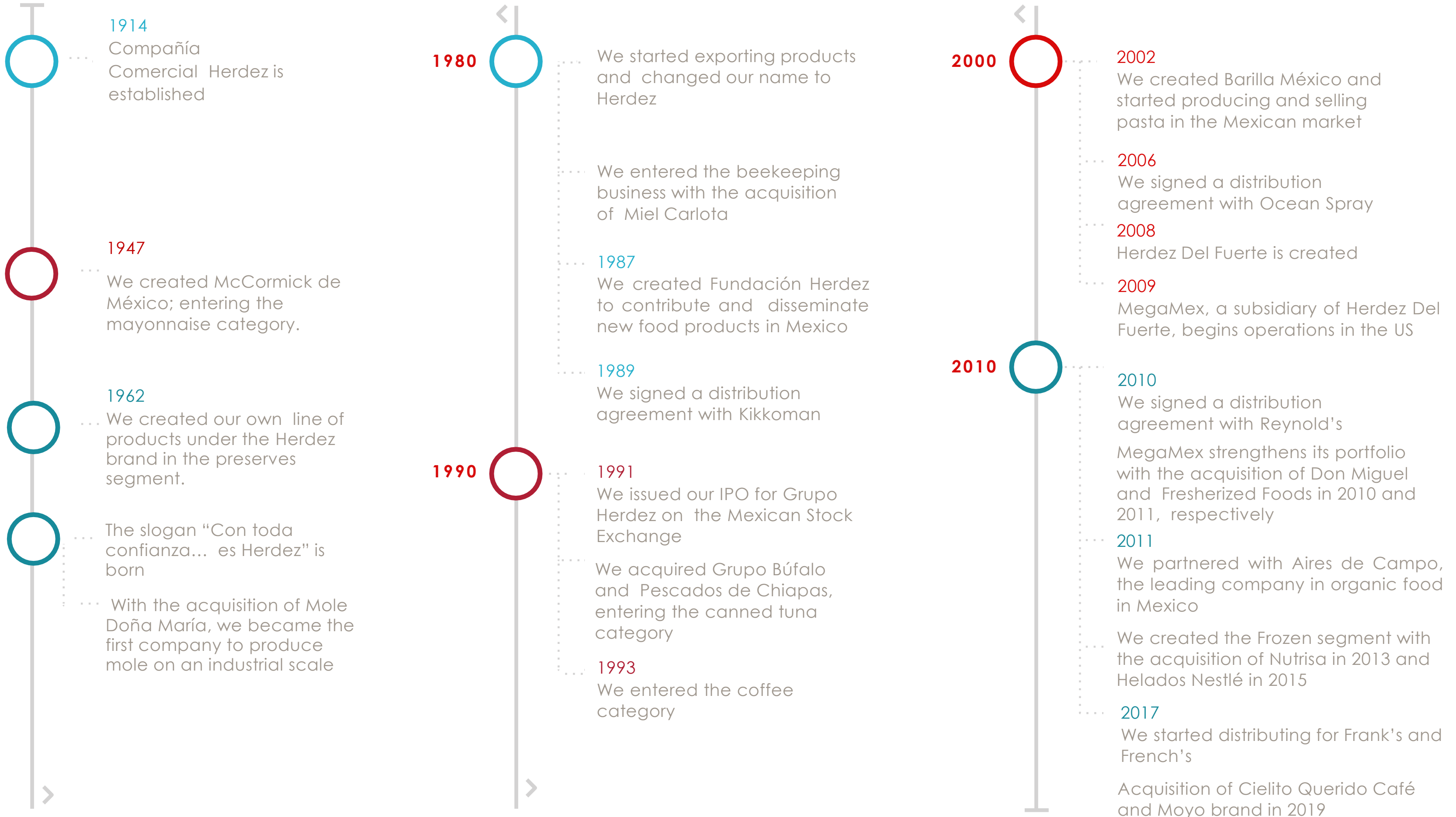
50%

MegaMex  
since 2009

Grupo Herdez consolidates 100 percent of its Impulse division, Herdez Del Fuerte - Mexico, Barilla México and McCormick de México in its financial statements

The proportional stake of Herdez Del Fuerte in MegaMex is registered in "Equity Investment in Associated Companies."

# Our Legacy



# Board of Directors

## HÉCTOR HERNÁNDEZ-PONS TORRES

### Owner – Chairman

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- Has a law degree from Universidad Anahuac and an MBA from the National University of San Diego
- Experience in the sector since 1978
- Named Chairman in 2004
- Has held several positions in industry groups including BASC, CONCAMIN and CANAINCA

## ENRIQUE HERNÁNDEZ-PONS TORRES

### Owner - Vice president

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- Bachelor's degree in Business Administration and a post-graduate degree in Marketing and Business Management
- Experience in the sector since 1971
- Chairman of Megamex

## FLORA HERNÁNDEZ DE MERINO

### Owner – Board Member

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## ENRIQUE CASTILLO SÁNCHEZ MEJORADA

### Independent

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- Bachelor's degree in Business Administration
- Former Chairman of Maxcom Telecomunicaciones, Non-executive Chairman of Banco Nacional de México and Vice Chairman and President of the Banking Association of Mexico
- Board member of Grupo Alfa, Southern Copper Corporation and Médica Sur

## JOSÉ ROBERTO DANIEL DÍAZ

### Independent

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- Bachelor's degree in Accounting and postgraduate degree in Business Administration, Business Management and Corporate Governance
- Chairman of the Corporate Governance Best Practices Committee, member of the Latin American Corporate Governance Institute and board member of public and private companies
- Former CFO of Grupo Vitro, Grupo Desc and Industria Peñoles

## Michael Bernhard Jost

### Independent

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- Graduated in Economics and Business Administration from the University of Bern
- He held the position of CFO in different entities of Nestlé Group
- He served as a member of the Remuneration Committee and the Compliance Committee at Nestlé Brazil and Nestlé Mexico.
- He was recently appointed to the Board of Masisa, a company in the timber sector in Chile

## LUIS REBOLLAR CORONA

### Independent

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- Bachelor's degree in Chemical Engineering
- Board member in Grupo Gigante, Grupo Sánchez and Corporación San Luis
- Held positions as Chairman in Satélites Mexicanos and Sandvik de México

## ANASOFÍA SÁNCHEZ JUÁREZ CARDOZE

### Independent

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- Bachelor's degree in Marketing and a Master's degree in Communication, Advertising and New Media
- Held positions as Director of Business in Mexico and Central America at Facebook, Brand Solutions Manager for Google and Commercial Leader for YouTube Mexico
- She currently serves as the CEO of Waze Mexico, and as a professor at the Higher Institute for Internet Development (ISDI) in the Internet Business Master

## EDUARDO ORTIZ TIRADO SERRANO

### Independent

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- Director at Aerobal and Gridimex
- Held positions as Corporate Vice President and General Manager at SC Johnson for Mexico and Central America
- Board member of ENACTUS, Una mañana para la comunidad and member of Fundación Xochitla
- Former board member at CONAR, CEMEFL and advisory council for Great Place to Work Mexico



# Corporate Governance

## OWNING

**Héctor Hernández-Pons Torres**  
Chairman

**Enrique Hernández-Pons Torres**  
Vice president

**Flora Hernández de Merino**  
Board Member

## INDEPENDENT

**Anasofía Sánchez Juárez Cardoze**

**Luis Rebollar Corona**  
Head of Environmental Practices

**Eduardo Ortiz Tirado Serrano**  
Head of Labor Practices

**Enrique Castillo Sánchez Mejorada**

**Michael Bernhard Jost**

**José Roberto Danel Díaz**  
Chairman of the Corporate Practices and  
Audit Committee





[WWW.GRUPOHERDEZ.COM.MX](http://WWW.GRUPOHERDEZ.COM.MX)

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