



# Investor Presentation





# COMPANY OVERVIEW





# GRUMA IS THE WORLD'S LARGEST CORN FLOUR AND TORTILLA PRODUCER, WITH OPERATIONS IN THE UNITED STATES, MEXICO, CENTRAL AMERICA, EUROPE, ASIA AND OCEANIA

Family: 47%  
Float: 53%

**GRUMA,  
S.A.B. de C.V.**

BMV: GRUMAB

2019<sup>1</sup>

Sales: US\$4.1 billion

EBITDA<sup>2</sup>: US\$665 million

Market Cap: US\$4.3 billion<sup>3</sup>

73 plants and 22,600 employees

## Subsidiaries

**GRUMA USA**

**GIMSA**

**GRUMA EUROPE**

**GRUMA CENTROAMÉRICA**

**GRUMA ASIA-OCEANÍA  
MISSION MEXICO  
TECHNOLOGY AND SERVICES  
ELIMINATIONS**

## Products

- Corn flour
- Tortillas, other

- Corn flour

- Grits, corn flour
- Tortillas, other

- Corn flour, other

- Tortillas, other

## % Sales



## % EBITDA



<sup>1</sup> Convenience translation at an exchange rate of Ps.18.8452/dollar as of December 31, 2019.

<sup>2</sup> EBITDA = Operating income + depreciation, amortization and impairment of long-lived assets +/- expenses (income) unrelated to core business operations.

<sup>3</sup> As of October 30, 2020.





## GRUMA'S LEADING BRANDS SHOW STRONG AWARENESS AND CONSUMER LOYALTY

REGION	BRANDS	PRODUCTS	POSITION
UNITED STATES		CORN FLOUR	1
		TORTILLAS	1
		TORTILLAS	2
MEXICO		CORN FLOUR	1
CENTRAL AMERICA		CORN FLOUR	1
		TORTILLAS	1
		TORTILLAS	2
EUROPE		TORTILLAS	3
ASIA & OCEANIA		TORTILLAS	1



## GRUMA IS LEADING IMPORTANT PRODUCT INNOVATION TO SATISFY THE GROWING MARKET OF HEALTH-ORIENTED CONSUMERS



- Consumers replacing breads with wraps
- Increased popularity of healthier snack options, such as gluten-free organic corn chips



To satisfy these megatrends, GRUMA offers a line of healthier alternatives, such as:

- Organic
- Gluten-free
- Low-carb
- Protein
- Preservative-free
- Multi-grain
- Fat-free
- Chia and quinoa wraps
- Whole-wheat
- Baked tostadas

As a result, our healthier product lines are generating low double-digit sales growth





## FREQUENT PRODUCT LAUNCHES AND COLORFUL IN-STORE DISPLAYS ENHANCE SALES OF VALUE-ADDED AND HIGHER-MARGIN PRODUCTS



Carb Balance Spinach Wrap



Protein Plant Powdered Wrap



GF Spinach Herb



WW Carb Balance



WW Honey Oat



WW Sprouted



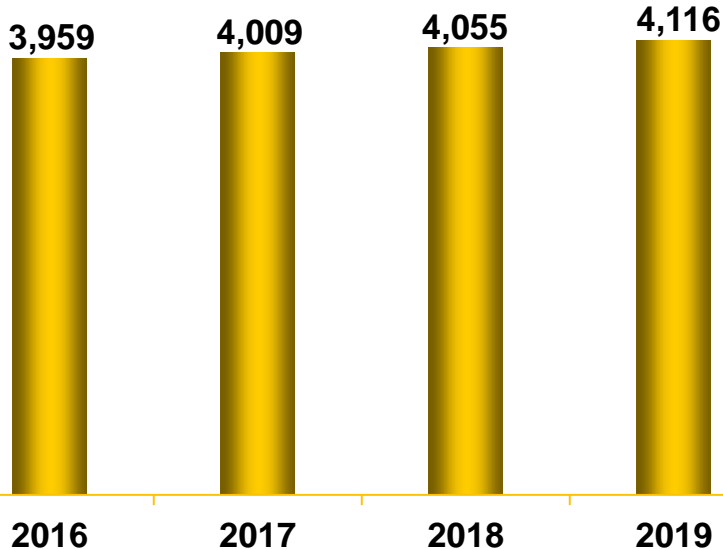
WW Chia & Quinoa



**GRUMA HAS ACHIEVED CONSISTENT GROWTH IN NET SALES DRIVEN MAINLY BY THE U.S. OPERATIONS...**

**GRUMA  
Volume  
(thousand metric tons)**

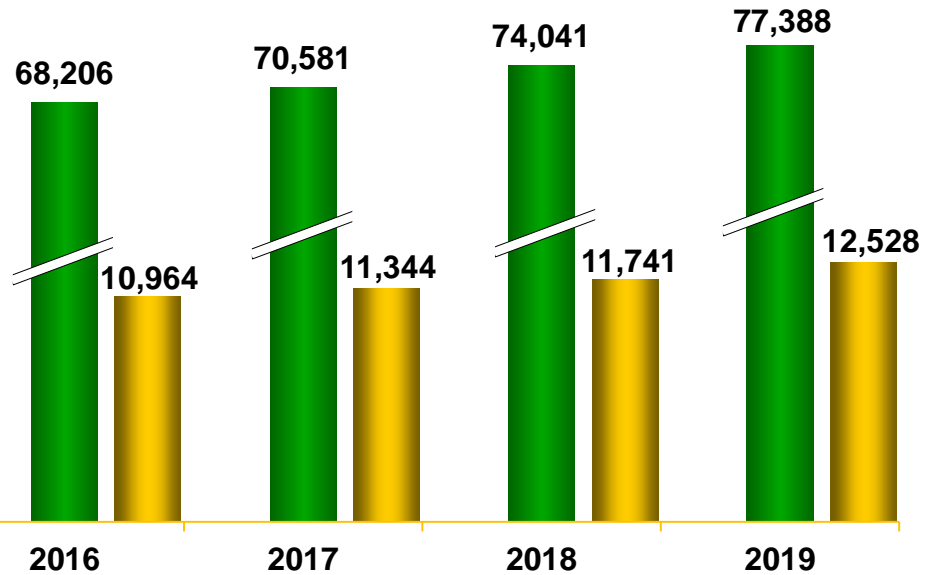
**CAGR:  
'16 – '19: 1%**



**GRUMA  
Net Sales and EBITDA  
(millions of pesos)**

**CAGR Net Sales:  
'16 – '19: 4%**

**CAGR EBITDA:  
'16 – '19: 5%**



EBITDA Mg (%)	2016	2017	2018	2019
	16.1	16.1	15.9	16.2

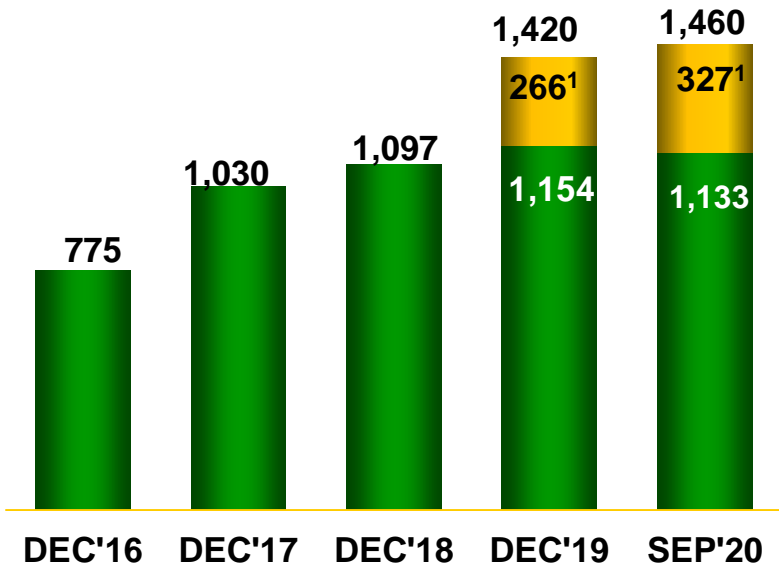
**...WHICH HAS BEEN IN LINE WITH EBITDA EXPANSION**



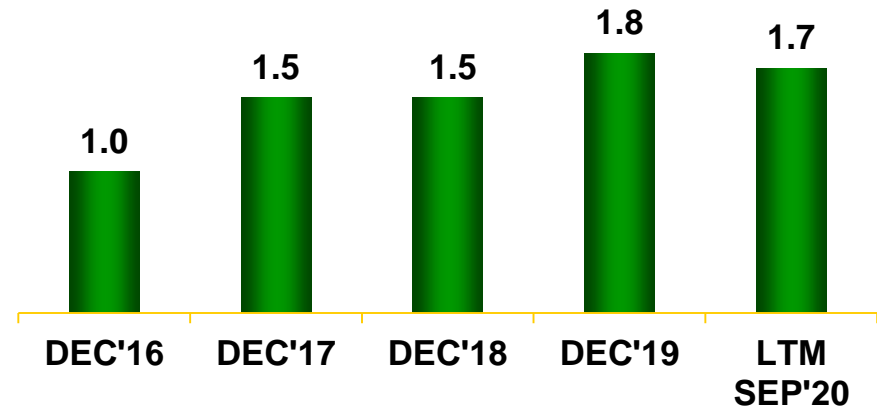


# EBITDA GENERATION HAS CONTRIBUTED TO GRUMA'S SOLID FINANCIAL POSITION...

**GRUMA  
Debt  
(millions of US\$)**



**GRUMA  
Net Debt/EBITDA  
(times)**







**...WHILE THE COMPANY ENJOYS A HEALTHY DEBT MATURITY PROFILE, WHERE 75% OF DEBT IS DOLLAR-DENOMINATED, BACKED BY ITS U.S. OPERATIONS**

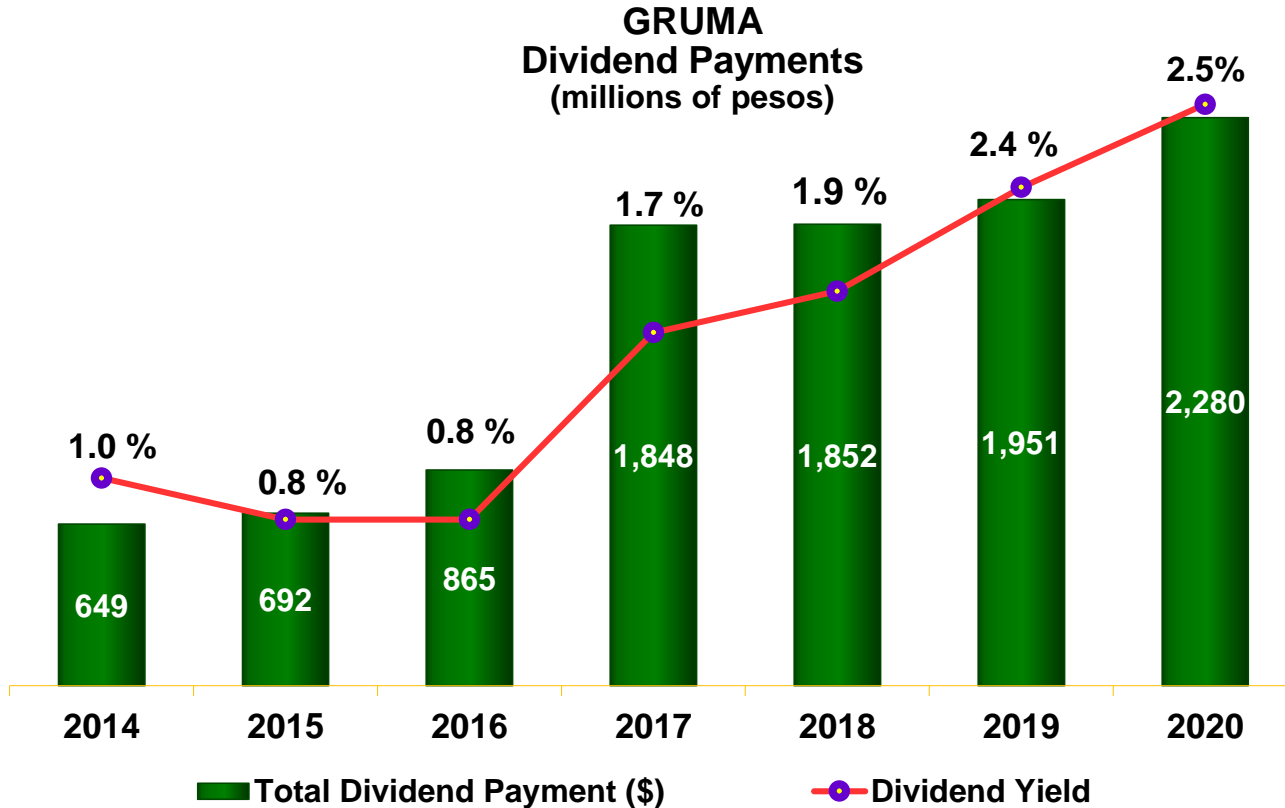
**GRUMA**  
**Debt Maturity Profile <sup>1</sup>**  
**As of September 30, 2020**  
**(millions of US\$)**

	Rate	2020	2021	2022	2023	2024	2025	2026	TOTAL
Senior Notes 2024 (USD)	Fixed 4.875%					400.0			400.0
Scotiabank Term Loan (USD \$250)	Fixed 2.79%						250.0		250.0
Rabobank Syndicated Term Loan (USD \$150)	LIBOR + 1%	11.3	26.3	82.5					120.0
Scotiabank Revolving Facility (USD \$120)	LIBOR + 0.75%			80.0					80.0
Cebures 2023 (MXN \$3,000)	Fixed 8.52%				133.6				133.6
Club Loan (MXN \$2,000)	TIE + 0.55%		89.1						89.1
Other:									
EUR	1.04%	0.1	2.4	12.6	12.5	12.5	10.5	10.5	61.1
<b>TOTAL</b>	<b>4.00% (avg.)</b>	<b>11.3</b>	<b>117.7</b>	<b>175.1</b>	<b>146.1</b>	<b>412.5</b>	<b>260.5</b>	<b>10.5</b>	<b>1,133.8</b>

<sup>1</sup> The US\$327 million related to leases are not included on the above debt figures.



**IMPROVEMENTS IN RESULTS, HIGHER CASH GENERATION AND HEALTHY FINANCIAL STRUCTURE HAS ENABLED GRUMA TO INCREASE ITS DIVIDEND PAYMENT...**



Dividend per share (Ps.)	1.5	1.6	2.0	4.27	4.28	4.65	5.64
--------------------------	-----	-----	-----	------	------	------	------



**...AND BUY BACK SHARES FOR THE BENEFIT OF ITS SHAREHOLDERS**

	<b>05/18 – 04/19</b>	<b>04/19 – 04/20</b>	<b>04/20 – TO DATE<sup>1</sup></b>
- OUTSTANDING SHARES (millions)	432.7	421	405
- SHARES REPURCHASED (millions)	10.8	17.6	2.2
- AVERAGE PRICE (pesos)	\$216.6	\$189.8	\$237.5
- TOTAL REPURCHASE (million dollars)	US\$119	US\$161	US\$23.5

**GRUMA HAS CANCELLED 27.3 MILLION SHARES THUS FAR, REPRESENTING 6.4% OF THE OUTSTANDING SHARES AT THE START OF THE BUY-BACK PROGRAM**



# MAIN SUBSIDIARIES





# GRUMA USA



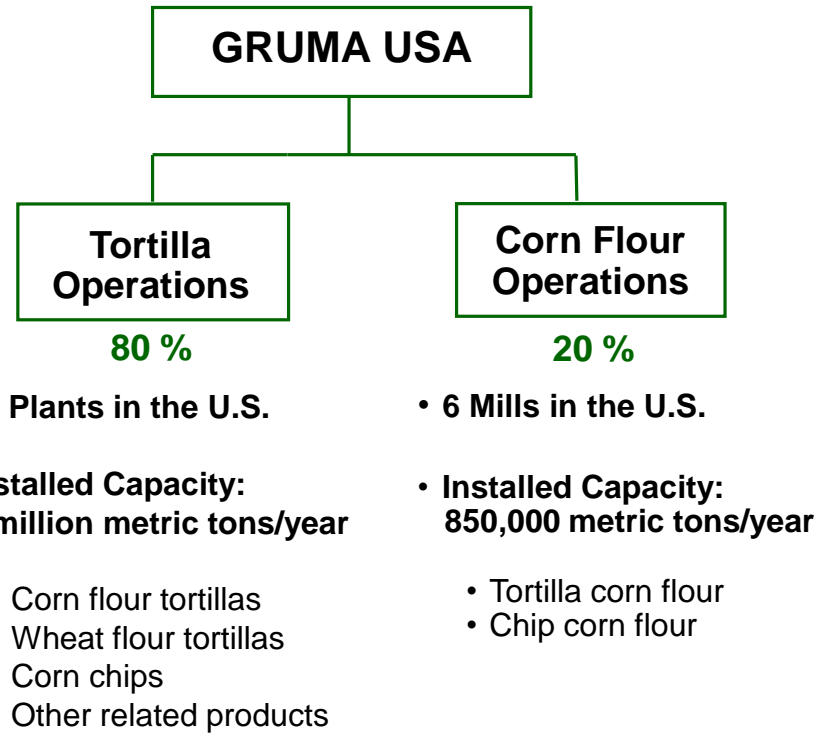


# GRUMA USA IS THE LARGEST SUBSIDIARY, AND THE LEADING CORN FLOUR AND TORTILLA PRODUCER IN THE UNITED STATES

Net Sales 2019: **US\$2.2 billion**



- Corn flour mills (6)
- ◆ Tortilla plants (20)
- \* Temporarily closed



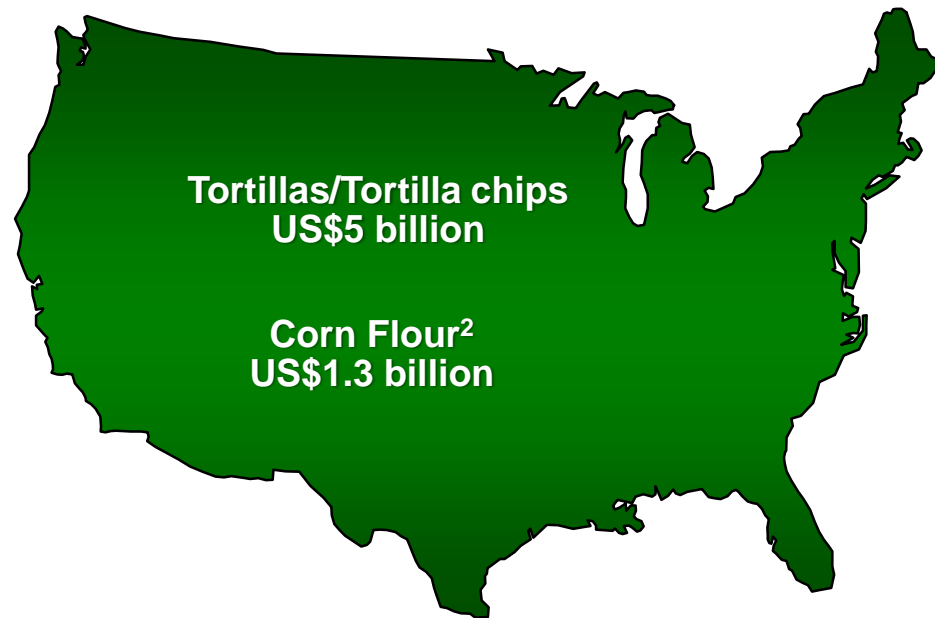


# THERE IS GROWTH POTENTIAL FOR THE U.S. TORTILLA AND CORN FLOUR INDUSTRIES

## Growth Drivers

- **Hispanic Population<sup>1</sup>**
  - 18% of total U.S. population, out of which 63% are Mexican
  - Hispanic population increased 63% between 2000 and 2016, accounting for half of total U.S. population growth
- **Popularity of Mexican Food**
  - Non-Hispanics account for the majority of Mexican food service purchases
  - The number of Mexican food restaurants continues to grow
  - More restaurants are featuring Mexican dishes in their menus
- **Adoption of tortillas in non-Mexican dishes (wraps)**
- **Wraps, burritos, tacos, quesadillas, nachos, etc. becoming mainstream foods**

## Estimated U.S. Markets

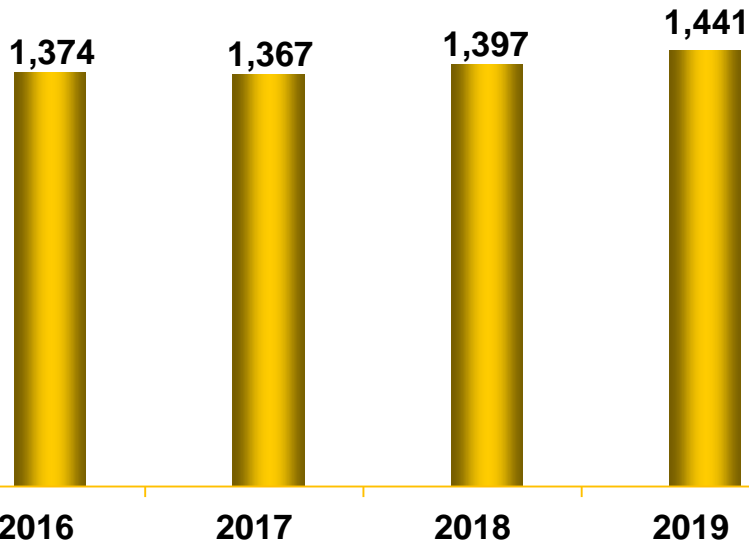




**OVER THE PAST FEW YEARS, SALES VOLUME GROWTH HAS BEEN LOWER DUE TO SIGNIFICANT SKU RATIONALIZATION, WHICH HAS RESULTED IN IMPROVED PROFITABILITY**

**GRUMA USA  
Volume  
(thousand metric tons)**

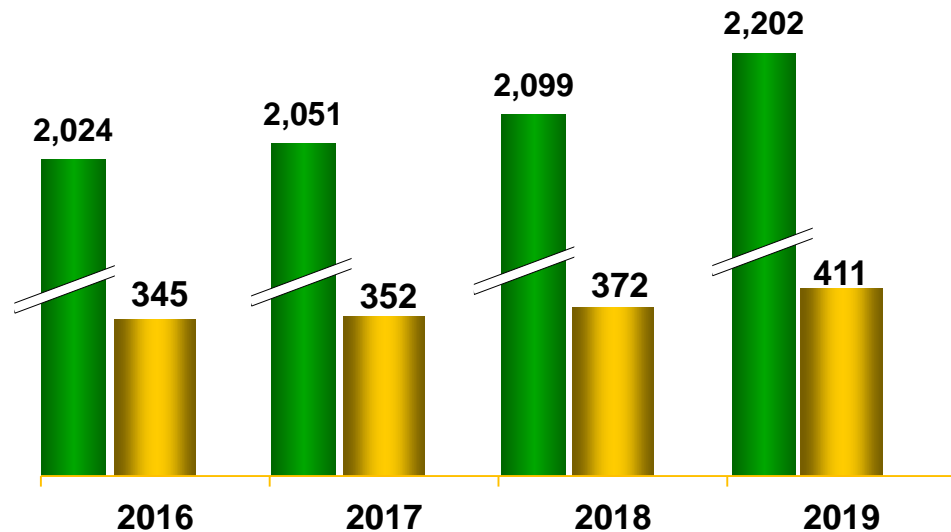
**CAGR:  
'16 – '19: 1%**



**GRUMA USA  
Net Sales and EBITDA  
(millions of dollars)**

**CAGR Net Sales:  
'16 – '19: 3%**

**CAGR EBITDA:  
'16 – '19: 6%**



EBITDA Mg (%)	2016	2017	2018	2019
	17.1	17.2	17.7	18.7





---

## **GRUMA USA EXPECTS CONTINUED MARGIN IMPROVEMENT BASED PRINCIPALLY ON:**

- **Change of sales mix toward higher margin SKUs**
  - Healthier alternatives
  - More value-added products
  - Smaller counts
- **Efficiencies arising from new plants and capacity expansions**
- **Benefits from information technology projects**

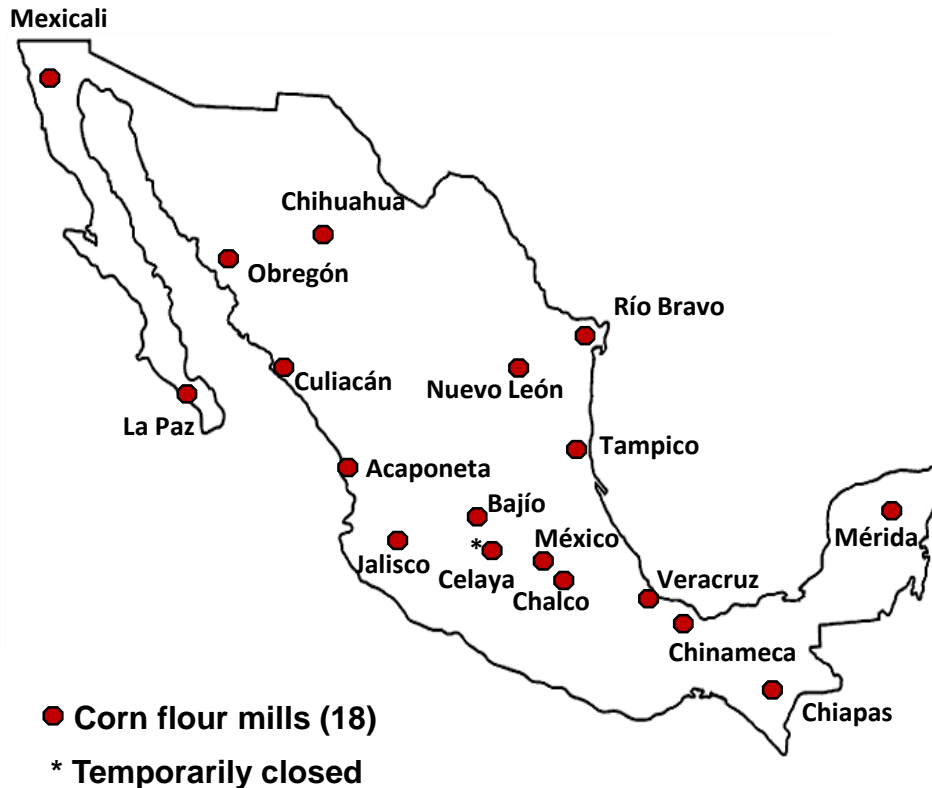


# GIMSA





## GIMSA IS GRUMA'S SECOND LARGEST SUBSIDIARY AND THE LEADER OF THE CORN FLOUR INDUSTRY IN MEXICO



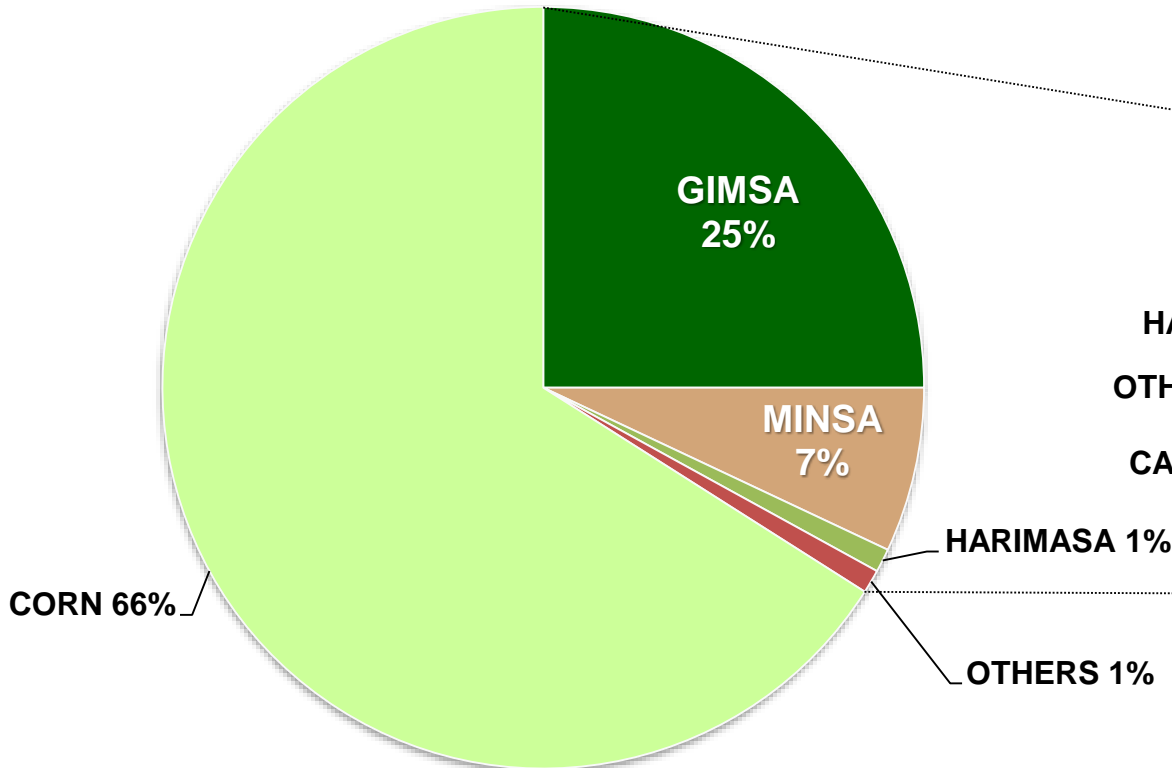
### GIMSA

- Net Sales 2019: **US\$1.1 billion**<sup>1</sup>
- 18 plants, with total annual capacity of 2.4 million metric tons of corn flour
- GIMSA's market share within the corn flour industry is approximately 74%

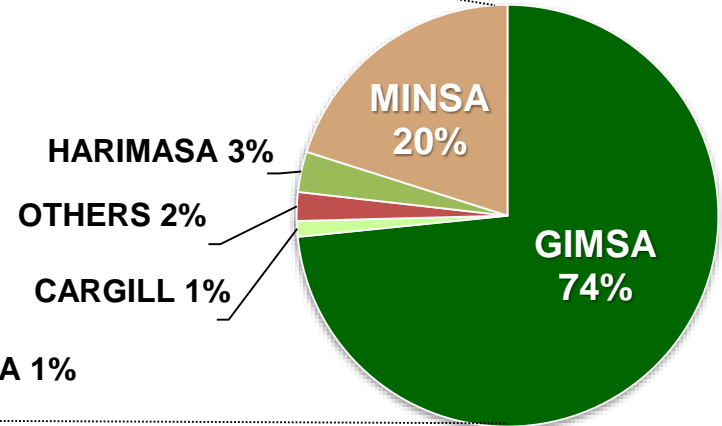


**CORN FLOUR IS ONLY USED TO PRODUCE 34% OF THE TORTILLAS IN MEXICO, THUS THERE IS A GREAT POTENTIAL FOR LONG-TERM GROWTH AND SUPPORT FOR GRUMA USA**

**Potential Corn Flour Market in Mexico**  
7.3 Million Metric Tons of Corn Flour<sup>1</sup>  
US\$4 billion<sup>2</sup>



**Corn Flour Market in Mexico**  
2.5 Million Metric Tons of Corn Flour<sup>1</sup>  
US\$1.4 billion<sup>2</sup>



<sup>1</sup> One corn flour metric ton = 1.8 tortilla metric tons.

<sup>2</sup> Based on an exchange rate of Ps. Ps.18.8452/dollar as of December 31, 2019.

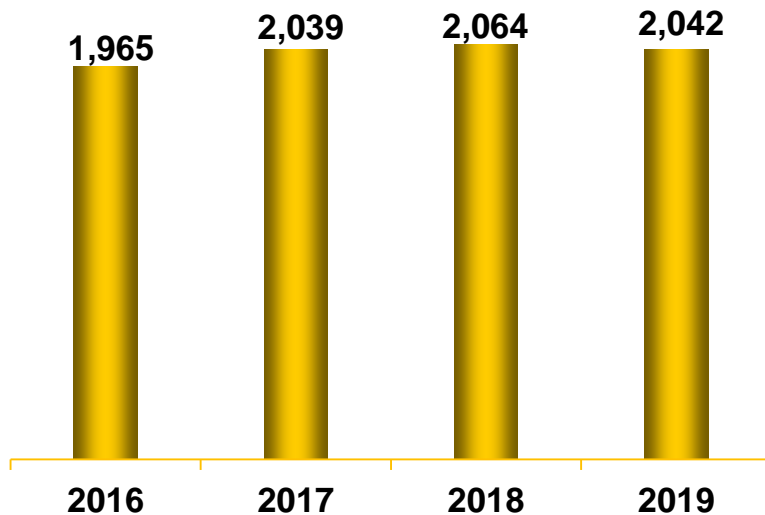




## GIMSA'S SALES GROWTH MAINLY REFLECTS COMMERCIAL INITIATIVES AIMED AT STRENGTHENING CUSTOMER SERVICE

**GIMSA  
Volume**  
(thousand metric tons)

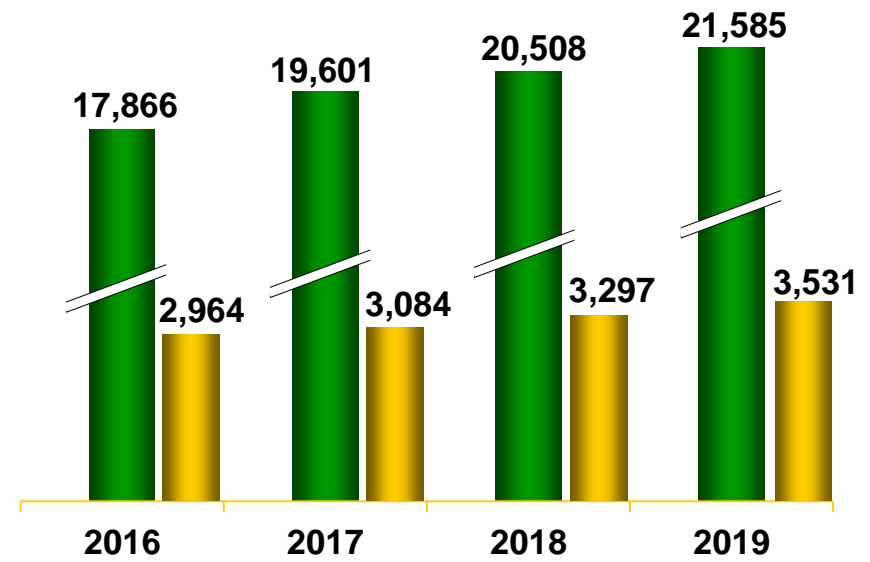
**CAGR:**  
'16 – '19: 1%



**GIMSA  
Net Sales and EBITDA**  
(millions of pesos)

**CAGR Net Sales:**  
'16 – '19: 7%

**CAGR EBITDA:**  
'16 – '19: 6%



EBITDA Mg (%)	2016	2017	2018	2019
	16.6	15.7	16.1	16.4

## EXPECTATIONS FOR GIMSA'S RESULTS ARE BASED ON:

- Stability of its operations arising from the defensive nature of its products, not impacted by economic or political matters
- Sales volume growth coming mainly from the substitution of the traditional method





# GRUMA EUROPE





## GRUMA EUROPE IS THE COMPANY'S THIRD LARGEST SUBSIDIARY, FOCUSED MAINLY ON THE TORTILLA BUSINESS

Net Sales 2019: **US\$296 million**<sup>1</sup>

### GRUMA Europe

#### Tortilla Operations

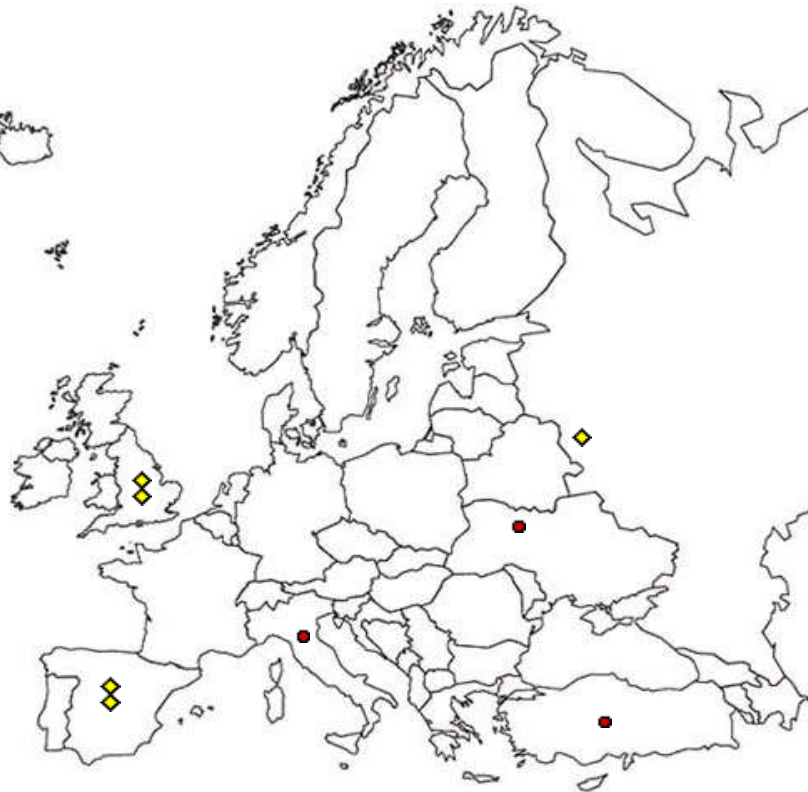
**77 %**

- **5 Plants in Europe**
  - England (2)
  - Russia
  - Spain (2)
- **Installed Capacity:**  
**159,000 Metric tons/year**
  - Wheat flour tortillas
  - Corn chips
  - Flatbreads
  - Other related products

#### Corn Milling Operations

**23 %**

- **3 Mills in Europe**
  - Italy
  - Ukraine
  - Turkey
- **Installed Capacity:**  
**345,000 Metric tons/year**
  - Grits
  - Chip corn flour
  - Tortilla corn flour



● Corn flour mills (3)

◆ Tortilla plants (5)





## THERE IS GROWTH POTENTIAL FOR THE TORTILLA MARKET IN EUROPE

### Growth Drivers

- Adoption of tortillas in non-Mexican dishes (wraps, gyros)
- Wraps, burritos, tacos, quesadillas, nachos, etc. becoming mainstream foods
- Popularity of Mexican food
  - The number of Mexican food restaurants continues to grow
  - More restaurants are including Mexican dishes in their menus

### Estimated European Markets

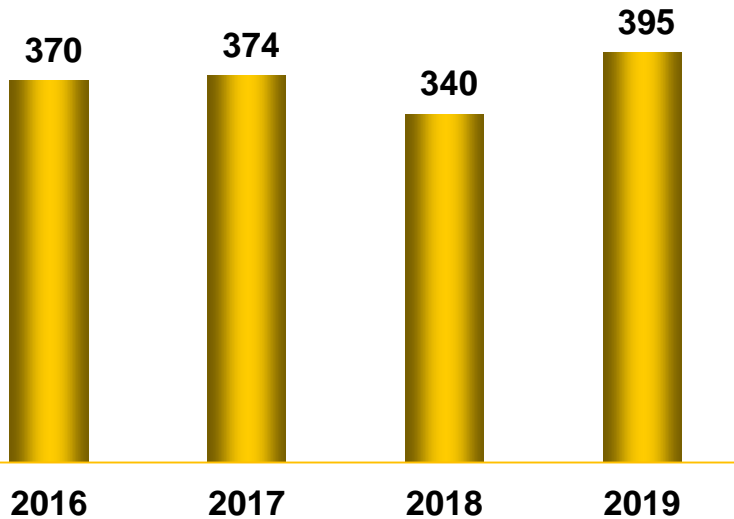




# GROWTH IN GRUMA EUROPE'S RETAIL TORTILLA BUSINESS HAS IMPROVED ITS EBITDA MARGINS, A TREND THAT IS EXPECTED TO CONTINUE

**GRUMA EUROPE  
Volume  
(thousand metric tons)**

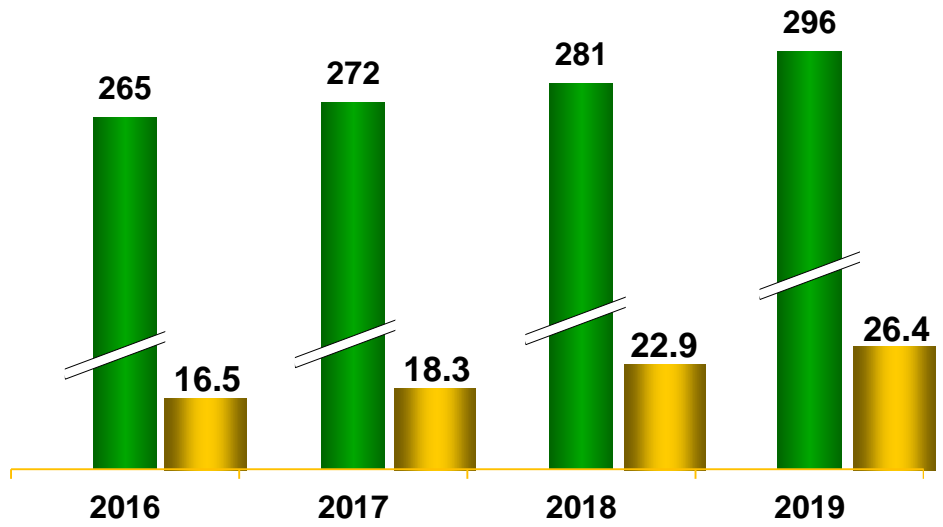
**CAGR:  
'16 – '19: 2%**



**GRUMA EUROPE  
Net Sales and EBITDA  
(millions of dollars)**

**CAGR Net Sales:  
'16 – '19: 4%**

**CAGR EBITDA:  
'16 – '19: 17%**



Year	2016	2017	2018	2019
EBITDA Mg (%)	6.9	7.7	8.2	8.9



## IMPROVED PROFITABILITY FOR GRUMA EUROPE WILL RESULT FROM:

- A better sales mix favoring the retail tortilla business, particularly with branded products, supported by enhanced marketing and distribution efforts
- Production efficiencies at tortilla plants, coupled with packaging automation
- Potential M&A of tortilla companies to increase footprint, scale and better absorb marketing and logistic expenses





# ADDITIONAL OPPORTUNITIES FOR GRUMA





## ALONG WITH ITS THREE MAIN SUBSIDIARIES, GRUMA SEES OPPORTUNITIES IN OTHER GROWING MARKETS

- Presence in Asia and Oceania with 3 tortilla production facilities and sales close to US\$200 million
- In Mexico, packaged tortilla business represents a huge potential market, where GRUMA has grown from US\$30 million to US\$80 million over the last few years
  - Product portfolio has expanded to corn and wheat tortilla, tostada, snacks, corn chips, and related products, including healthier alternatives
  - Construction of a plant in central Mexico to expand capacity and coverage was recently concluded





## **GRUMA'S KEY CONSIDERATIONS TO CREATE VALUE**

- **Worldwide leader in an attractive & non-cyclical industry with staple products**
- **Growing markets for its products in all regions**
- **Global footprint with approximately 60% USD EBITDA generation**
- **Margin improvements expected at Gruma USA, Europe and Asia-Oceania**
- **Solid financial position, supported by low debt leverage**



## Contact Information

**Rogelio Sánchez**

+52 (81) 8399 3312

[rsanchezm@gruma.com](mailto:rsanchezm@gruma.com)

**Lilia Gómez**

+52 (81) 8399 3324

[lgomez@gruma.com](mailto:lgomez@gruma.com)

**Investor Relations**

+52 (81) 8399 3349

[ir@gruma.com](mailto:ir@gruma.com)

[www.gruma.com](http://www.gruma.com)