



GRUPO HERDEZ

FIRST QUARTER 2021

EARNINGS RELEASE

CONSOLIDATED HIGHLIGHTS FOR THE QUARTER

- Net sales increased by 1.7%, and on a comparable basis 7.7% with respect to the same quarter of the previous year, driven mainly by price increases in the Preserves segment.
- EBIT before other income and expenses fell 4.2% to MXN 638 million, while the margin stood at 10.9%, 0.7 percentage points below that recorded in 2020, which is mainly explained by lower sales in the Frozen segment.
- Net income totaled MXN 542 million, 18.7% lower than the previous year due to the extraordinary income from the sale of three tuna vessels recorded in 2020.

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Mexico City, Mexico, April 22, 2021 – Grupo Herdez, S.A.B. DE C.V. (“Grupo Herdez” or the “Company”) (MSE: HERDEZ) today announced results for the first quarter 2021, ended March 31, 2021.

"We are proud of the organic growth achieved in the quarter. On the other hand, we are optimistic about the quarter-over-quarter performance of our Frozen segment, despite the challenging circumstances we are still facing," said Héctor Hernández-Pons Torres, Chairman and Chief Executive Officer of Grupo Herdez.

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.

Grupo Herdez consolidates 100 percent of its Frozen division, Barilla Mexico, Herdez Del Fuerte - Mexico, and McCormick de Mexico in its financial statements. The proportional stake of Herdez Del Fuerte in MegaMex is registered in Equity Investments in Associated Companies.

NET SALES

Net sales in the first quarter were MXN 5.8 billion, 1.7% above the previous year, even though the 2020 comparable basis considers the sales of Nair tuna, fresh tuna and Ocean Spray. On a comparable basis - excluding fresh tuna, Nair tuna and Ocean Spray- consolidated net sales would have increased 7.7%. Net sales in the Preserves segment grew 2.7%, 10.4% on a like-to-like basis, due to price increases implemented across the portfolio in the last twelve months. The categories with double-digit growth were spices, mayonnaise, mole and teas.

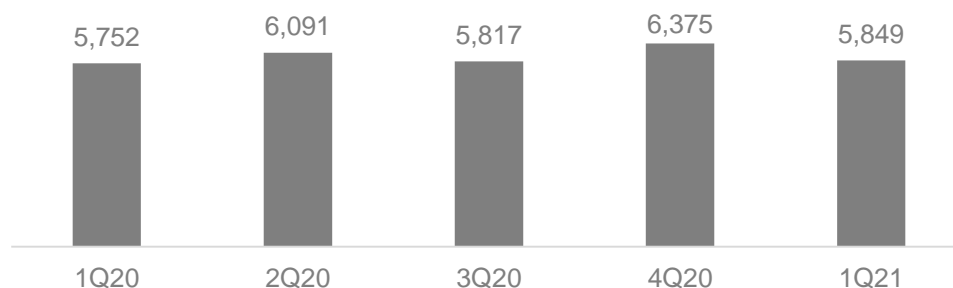
The Frozen segment reported net sales of MXN 613 million, 14.9% lower than last year due to the mobility restrictions that affected the results for January and February 2021. Performance in modern trade, price clubs and convenience stores continued to show double-digit growth, while the traditional channel maintained the same trend as last year. Exports were MXN 456 million in net sales, 20.5% higher than in the same period of the previous year, driven by higher sales volumes.

NET SALES	1Q21	1Q20	% change
Consolidated	5,849	5,752	1.7
Preserves	4,779	4,653	2.7
Frozen	613	721	(14.9)
Exports	456	379	20.5

Figures in millions of MXN.

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NET SALES PERFORMANCE



GROSS PROFIT

Consolidated gross margin for the quarter was 37.5%, practically unchanged from a year ago. In the Preserves segment, margin increased 1.9 percentage points to 37.4%, mainly due to price increases implemented at the end of the third quarter of last year and a better sales mix. In the Frozen segment, gross margin decreased 5.9 percentage points because of lower sales due to temporary store closures, as well as higher sales in modern trade, price clubs and convenience stores for Helados Nestlé. Gross margin in

the Exports segment decreased 5.9 percentage points to 13.5%, due to the appreciation of the U.S. dollar against the peso.

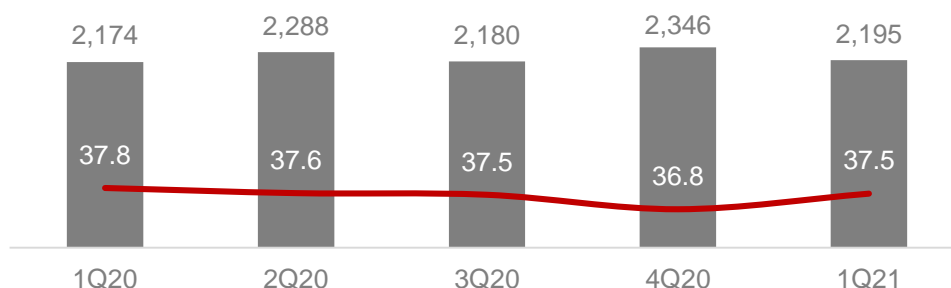
GROSS MARGIN	1Q21	1Q20	% change
Consolidated	2,195	2,174	1.0
Preserves	1,787	1,652	8.2
Frozen	346	450	(22.9)
Exports	62	73	(15.9)

Figures in millions of MXN.

GROSS MARGIN	1Q21	1Q20	pp change
Consolidated	37.5	37.8	(0.3)
Preserves	37.4	35.5	1.9
Frozen	56.5	62.4	(5.9)
Exports	13.5	19.4	(5.9)

Figures in percentages.

GROSS PROFIT PERFORMANCE



SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

Consolidated SG&A represented 26.6% of net sales in the quarter, 0.4 percentage points above the prior year, mainly due to expenses related to the Company's digital transformation project.

EARNINGS BEFORE INTERESTS AND TAXES BEFORE OTHER INCOME

EBIT before other income was MXN 638 million, 4.2% lower than in the first quarter of the previous year. In the Preserves segment, EBIT before other income increased 16.2%, while the margin expanded 2.0 percentage points to 16.8%.

The Frozen segment recorded an operating loss of MXN 195 million in the quarter, compared to the operating loss of MXN 72 million recorded in the same period of the previous year. This resulted from the mobility restrictions at the beginning of this year, which compares unfavorably with the months prior to the pandemic. In the Exports segment, the margin was 6.7%, 5.7 percentage points lower than last year, mainly due to the appreciation of the dollar against the peso.

OTHER INCOME

During the quarter, net other income was MXN 8 million, compared to the MXN 194 million posted in the first quarter of the previous year related to the sale of three tuna vessels.

EARNINGS BEFORE INTERESTS AND TAXES (EBIT)

Operating income in the first quarter decreased 24.8% to MXN 646 million, with a margin of 11.0%, 3.9 percentage points lower than the same period of 2020.

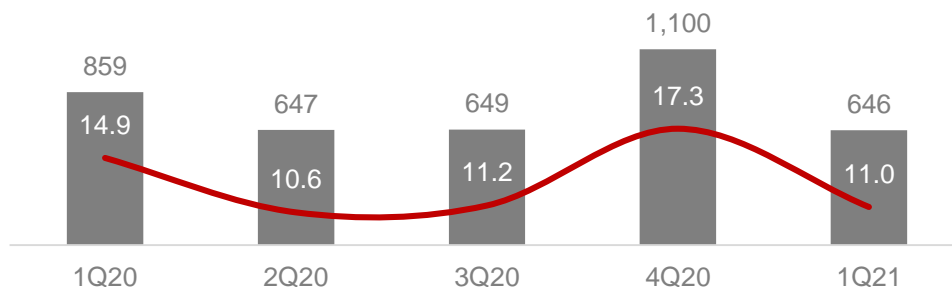
EBIT	1Q21	1Q20	% change
Consolidated	646	859	(24.8)
Preserves	809	869	(6.8)
Frozen	(194)	(56)	NA
Exports	30	47	(35.2)

Figures in millions of MXN.

EBIT MARGIN (%)	1Q21	1Q20	pp change
Consolidated	11.0	14.9	(3.9)
Preserves	16.9	18.7	(1.8)
Frozen	(31.6)	(7.8)	NA
Exports	6.7	12.4	(5.7)

Figures in percentages.

EBIT PERFORMANCE



COMPREHENSIVE FINANCING RESULT

In the first quarter, net financing cost was MXN 152 million, 171.7% higher than in the same period of 2020. This increase is mainly explained by a MXN 102 million foreign exchange gain recorded in the first quarter of the previous year.

EQUITY INVESTMENTS IN ASSOCIATED COMPANIES

Equity Investments in Associated Companies totaled MXN 243 million in the quarter, 77.7% higher than in the first quarter of 2020, due to ongoing recovery in the United States business.

EQUITY INVESTMENT IN ASSOCIATED COMPANIES	1Q21	1Q20	% change
Consolidated	243	137	77.7
MegaMex	230	160	44.1
Others	13	(23)	NA

Figures in millions of MXN.

MEGAMEX CONSOLIDATED RESULTS (100%)

Net sales totaled MXN 3.4 billion during the quarter, 3.5% higher than in the same period of the previous year. This was due to the recovery of sales in the institutional channel.

Gross margin was 36.3%, 6.1 percentage points higher than in 2020. EBIT and EBITDA margins increased 4.7 and 4.8 percentage points, respectively, to 15.2% and 18.1%, due to lower avocado prices and the recovery of the institutional channel. As a result, net income increased 44.1% to MXN 460 million, representing a margin of 13.4%

MEGAMEX INCOME STATEMENT					
MEGAMEX	1Q21	%	1Q20	%	% change
Net Sales	3,426	100.0	3,309	100.0	3.5
Gross profit	1,244	36.3	998	30.2	24.6
EBIT	520	15.2	346	10.5	50.1
EBITDA	619	18.1	441	13.3	40.3
Net Income	460	13.4	319	9.7	44.1

Figures in millions of MXN

NET INCOME

In the first quarter, consolidated net income was MXN 542 million, 18.7% lower than in the same period of the previous year. Consolidated net margin stood at 9.3%, a contraction of 2.3 percentage points. Excluding

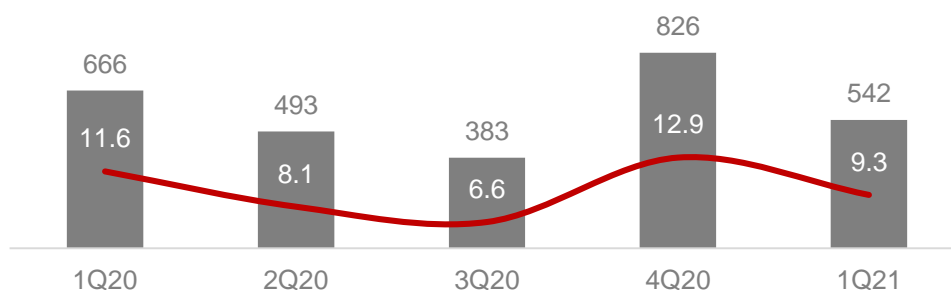
income related to the sale of tuna vessels in the previous year, consolidated net income would have remained practically unchanged compared to the previous year.

Majority net income totaled MXN 180 million in the quarter, 26.9% lower than in 2020.

NET INCOME	1Q21	1Q20	% change
Consolidated Net Income	542	666	(18.7)
Cons. net margin (%)	9.3	11.6	(2.3)
Minority interest	362	420	(13.9)
Majority Net Income	180	246	(26.9)
Maj. net margin (%)	3.1	4.3	(1.2)

Figures in millions of MXN.

CONSOLIDATED NET INCOME PERFORMANCE



EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AMORTIZATION AND OTHER NON-CASH CHARGES (EBITDA)

Consolidated EBITDA for the quarter was MXN 871 million, while the margin stood at 14.9%. Excluding the proceeds from the sale of the tuna vessels, consolidated EBITDA would have decreased 1.4% with a margin contraction of 0.5 percentage points. This is mainly explained by the deterioration of the Frozen segment, affected by the mobility restrictions.

Meanwhile, EBITDA in the Preserves segment, excluding the extraordinary income from the sale of tuna vessels, would have increased 16.5%, with a margin expansion of 2.3 percentage points.

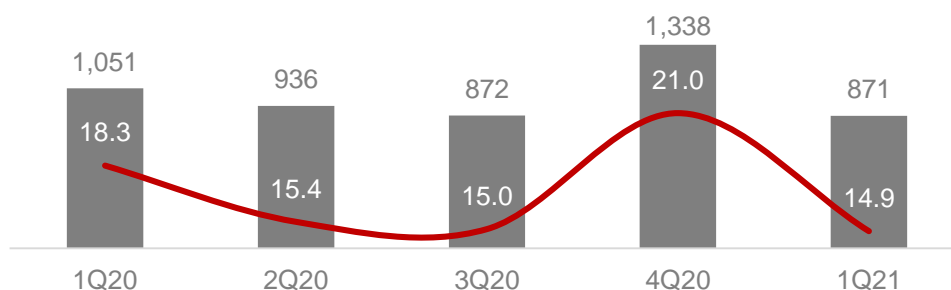
EBITDA	1Q21	1Q20	% change
Consolidated	871	1,051	(17.2)
Preserves	897	938	(4.3)
Frozen	(72)	54	NA
Exports	46	60	(23.8)

Figures in millions of MXN.

EBITDA MARGIN (%)	1Q21	1Q20	pp change
Consolidated	14.9	18.3	(3.4)
Preserves	18.8	20.2	(1.4)
Frozen	(11.7)	7.5	NA
Exports	10.0	15.8	(5.8)

Figures in percentages.

EBITDA PERFORMANCE



CAPITAL EXPENDITURES (CAPEX)

Net CAPEX in the quarter was MXN 129 million; allocated mainly to an increase in vegetable processing capacity and the expansion of tomato puree and sauce production lines.

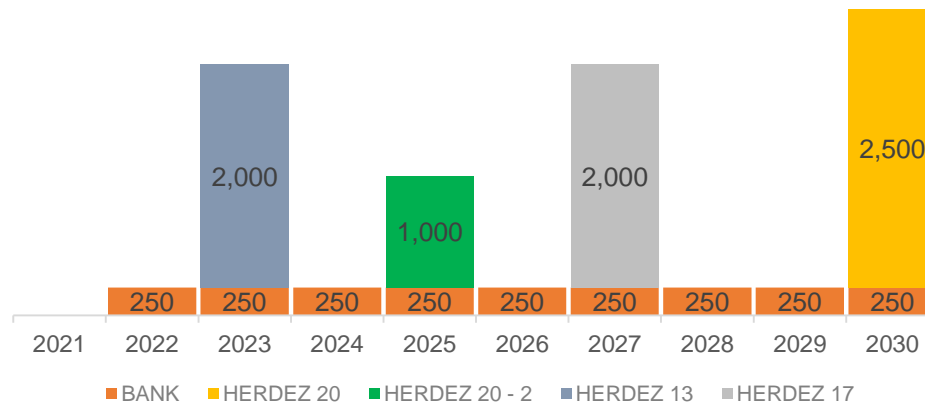
FINANCIAL STRUCTURE

As of March 31, 2021, consolidated cash totaled MXN 4.0 billion, 9.5% higher than at the end of 2020. Interest-bearing liabilities were MXN 10.4 billion, while debt remained at MXN 9.5 billion.

Consolidated net debt to EBITDA was 1.6 times at the close of the quarter, and the net debt to consolidated stockholders' equity ratio was 0.36 times. Consolidated net debt includes the effect of short- and long-term leases due to adoption of IFRS16 in 2019.

DEBT PROFILE

Figures in millions



RECENT EVENTS

The Company announced the termination of the distribution agreement with Ocean Spray in effect since 2006.

FIRST QUARTER 2021 EARNINGS CONFERENCE CALL INFORMATION

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Date: Friday, April 23, 2021

Time: 12:00 p.m. ET / 11:00 a.m. CT

To participate, please dial:

- Toll-Free U.S. and Canada: +1 (855) 327 6837
- Toll International: +1 (631) 891 4304
- Conference ID#: 10013844

To access the call, please go to <http://public.viavid.com/index.php?id=144130>

If you are unable to participate live, a replay of the conference call will be available from April 23, 2021 through May 7, 2021. To access the replay, please dial domestic U.S. and Canada +1 (844) 512 2921, or from other countries +1 (412) 317 6671; conference ID: 10013844.

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ABOUT GRUPO HERDEZ

We are proud to be the oldest Mexican food company in the country. Since 1914, we have been bringing Mexican families the best of our cuisine and the flavors of the world, and taking the most delicious flavors of Mexico to the rest of the globe. We have been listed on the Mexican Stock Exchange since 1991, and our mission is to be a worthy representative of Mexico worldwide.

We are leaders in the processed foods sector, and an important player in the ice cream category in Mexico, in addition to being the fastest-growing company in the Mexican food segment in the United States through Megamex. We are currently present in 99% of Mexican households through our large portfolio of more than 1,500 products, with which we provide solutions to the daily lives of our consumers, offering them variety and convenience for different lifestyles. We participate in the categories of tuna, spices, guacamole, ice cream, frozen yogurt, mayonnaise, marmalades, honey, mole, mustard, pastas, organic products, tomato purée, homemade salsas, ketchup, tea, canned vegetables, and many more, and we are leaders in several of these categories in Mexico. These products are sold through an exceptional portfolio of brands, including: Aires de Campo, Barilla, Blasón, Búfalo, Cielito Querido Café, Del Fuerte, Doña María, Embasa, Helados Nestlé®, Herdez, McCormick, Moyo, Nutrisa and Yemina.

We are committed to the social and environmental needs of the locations where we operate, and have aligned our sustainability strategy with the United Nations 2030 Agenda. This vision is shared with an exceptional team of more than 9,000 employees, and it is implemented through the solid infrastructure of our 13 production plants, 25 distribution centers, and more than 600 points of sale of our brands: Cielito Querido Café, Lavazza, Moyo and Nutrisa.

For more information, visit grupoherdez.com.mx, or follow us on: FB: /GrupoHerdezMX TW: @GrupoHerdezMX LI: /Grupo-Herdez

FORWARD-LOOKING STATEMENTS

The information contained herein (the "Information") has been prepared by Grupo Herdez, S.A.B. de C.V., its associates, subsidiaries and/or affiliated companies ("Grupo Herdez"), and may contain forward-looking statements that reflect Grupo Herdez's current expectations and views, which may differ materially due to various factors, risks and uncertainties. Therefore, Grupo Herdez and/or its respective officers, employees or agents, assume no responsibility or liability for any discrepancy in the Information. In particular, but without prejudice to the foregoing, no warranty is given as to the accuracy of the statements or future variations of the Information, or any other written or oral Information issued by Grupo Herdez. The Information has been provided solely for informational purposes. The issuance of this Information shall not be taken as any form of commitment on the part of Grupo Herdez to proceed with any transaction.



INCOME STATEMENT	First Quarter				
	2021	%	2010	%	% Chg
Net Sales	5,849	100.0	5,752	100.0	1.7
Preserves	4,779	81.7	4,653	80.9	2.7
Frozen	613	10.5	721	12.5	(14.9)
Exports	456	7.8	379	6.6	20.5
Cost of Goods Sold	3,654	62.5	3,578	62.2	2.1
Preserves	2,992	62.6	3,001	64.5	(0.3)
Frozen	267	43.5	271	37.6	(1.4)
Exports	395	86.5	305	80.6	29.2
Gross Profit	2,195	37.5	2,174	37.8	1.0
Preserves	1,787	37.4	1,652	35.5	8.2
Frozen	346	56.5	450	62.4	(22.9)
Exports	62	13.5	73	19.4	(15.9)
Operating Expenses	1,558	26.6	1,509	26.2	3.2
Preserves	985	16.8	961	16.7	2.5
Frozen	541	9.3	522	9.1	3.8
Exports	31	0.5	26	0.5	18.8
EBIT before Other Income and Expenses	638	10.9	665	11.6	(4.2)
Preserves	802	13.7	690	12.0	16.2
Frozen	(195)	(3.3)	(72)	(1.3)	169.9
Exports	30	0.5	47	0.8	(35.2)
Other income/expenses, net	(8)	(0.1)	(194)	(3.4)	(95.7)
EBIT	646	11.0	859	14.9	(24.8)
Preserves	809	16.9	869	18.7	(6.8)
Frozen	(194)	(31.6)	(56)	(7.8)	NM
Exports	30	6.7	47	12.4	(35.2)
All-In Result of Financing	(152)	(2.6)	(56)	(1.0)	171.7
Interest earned (paid), net	(169)	(2.9)	(158)	(2.8)	6.7
Exchange (loss) gain	17	0.3	102	1.8	(83.8)
Equity investment in associated companies	243	4.2	137	2.4	77.7
MegaMex	230	3.9	160	2.8	44.1
Others	13	0.2	(23)	(0.4)	NM
Income Before income taxes	737	12.6	940	16.3	(21.6)
Income tax provision	195	3.3	274	4.8	(28.7)
Consolidated net income	542	9.3	666	11.6	(18.7)
Minority interest	362	6.2	420	7.3	(13.9)
Majority net income	180	3.1	246	4.3	(26.9)
EBITDA	871	14.9	1,051	18.3	(17.2)
Preserves	897	18.8	938	20.2	(4.3)
Frozen	(72)	(11.7)	54	7.5	NM
Exports	46	10.0	60	15.8	(23.8)

Figures expressed in millions of MXN.

The proportions of COGS, Gross Profit, Operating Income and EBITDA of the segments are calculated accordingly.

STATEMENT OF FINANCIAL POSITION	31 mar 2021	%	31 dec 2020	%	Change	
					\$	%
TOTAL ASSETS	34,574	100.0	33,575	100.0	999	3.0
Domestic	32,146	93.0	31,128	92.7	1,018	3.3
USA	2,428	7.0	2,447	7.3	(19)	(0.8)
Current Assets	12,596	36.4	11,641	34.7	955	8.2
Cash and Cash Equivalents	4,031	11.7	3,681	11.0	350	9.5
Accounts Receivable	2,818	8.2	2,997	8.9	(179)	(6.0)
Other Accounts Receivable	164	0.5	145	0.4	19	13.3
Inventories	3,732	10.8	3,370	10.0	362	10.8
Other Current Assets	1,850	5.4	1,448	4.3	402	27.7
Non-Current Assets	21,978	63.6	21,934	65.3	44	0.2
Property, Plant and Equipment, Net	4,825	14.0	4,796	14.3	29	0.6
Right-of-Use Assets	890	2.6	801	2.4	90	11.2
Investment in Subsidiaries	7,480	21.6	7,258	21.6	222	3.1
Intangible Assets	7,200	20.8	7,217	21.5	(17)	(0.2)
Other Assets	1,582	4.6	1,862	5.5	(280)	(15.0)
TOTAL LIABILITIES	16,899	48.9	16,238	48.4	661	4.1
Domestic	16,141	46.7	15,465	46.1	676	4.4
USA	758	2.2	774	2.3	(15)	(2.0)
Current Liabilities	5,303	15.3	4,807	14.3	496	10.3
Accounts Payable	3,071	8.9	2,657	7.9	415	15.6
Short-Term Debt	0	0.0	0	0.0	0	
Short-Term Leases	280	0.8	361	1.1	(81)	(22.4)
Other Short-Term Liabilities	1,952	5.6	1,790	5.3	162	9.0
Long-Term Liabilities	11,596	33.5	11,431	34.0	165	1.4
Long-Term Debt	9,500	27.5	9,500	28.3	0	0.0
Long-Term Leases	669	1.9	471	1.4	198	42.1
Other Liabilities	(36)	(0.1)	(38)	(0.1)	2	4.2
Other Long-Term Liabilities w/o Cost	1,463	4.2	1,498	4.5	(35)	(2.3)
TOTAL STOCKHOLDERS' EQUITY	17,675	51.1	17,336	51.6	338	2.0
Minority Stockholder's Equity	10,310	29.8	10,114	30.1	196	1.9
Majority Stockholder's Equity	7,365	21.3	7,222	21.5	143	2.0

Figures expressed in millions of Mexican pesos