



## **GRUPO BIMBO TO ACQUIRE EAST BALT BAKERIES**

Mexico City, July 20, 2017 - Grupo Bimbo S.A.B. de C.V. ("Grupo Bimbo" or the "Company") (BMV:BIMBO) today announced an agreement to acquire East Balt Bakeries ("East Balt"), a global leader within the foodservice industry, for a price of US\$650 million, cash and debt free.

East Balt is a leading foodservice-focused company that produces and supplies buns, English muffins, rolls, tortillas, bagels, artisanal breads and other baked goods predominantly to Quick Service Restaurants ("QSR") around the world. Founded in 1955 and headquartered in Chicago, IL, East Balt employs approximately 2,200 associates globally and operates 21 bakeries in 11 countries across the United States, Europe, Asia, the Middle East and Africa, including two joint ventures. The company produces nearly 13 million baked goods each day to service more than 10,000 locations. This acquisition advances Grupo Bimbo's global growth strategy in high-growth segments and markets.

"East Balt brings significant expertise, a remarkable track record of profitable growth, and a geographically diverse and highly scalable platform in the foodservice segment, complementing our current business within this channel. This acquisition continues to fulfill our vision of expanding our global reach to better serve more consumers, with entry to eight new countries. Notably, East Balt enjoys long-standing strategic relationships, with the largest and most established QSR brands in the world. We look forward to welcoming all of East Balt's associates to the Grupo Bimbo family and to our continued growth together," said Daniel Servitje, Chairman of the Board and Chief Executive Officer of Grupo Bimbo.

East Balt generated annual sales of approximately US\$420 million<sup>1</sup> and an EBITDA of US\$70 million<sup>1</sup>. The transaction has been approved by the Board of Directors of Grupo Bimbo and by East Balt and is expected to close during the second half of the year, subject to the satisfaction of customary closing conditions, including regulatory approvals.

Guillermo Quiroz, Chief Financial Officer of Grupo Bimbo, added, "With an efficient and low-cost service model, a profitable capital deployment strategy, and sustained margins, this accretive acquisition in terms of margins, earnings per share and profitability, supports our value creation objectives. To fund the transaction, Grupo Bimbo will utilize an existing committed long-term revolving credit facility, which preserves the Company's financial flexibility and healthy credit profile. After giving effect to the transaction, we expect a pro-forma total debt to adjusted EBITDA ratio of 2.8 times."

Atlas Advisors is acting as financial advisor to Grupo Bimbo in connection with this transaction. Cleary Gottlieb Steen & Hamilton and White & Case are serving as legal counsels and Deloitte is acting as diligence advisor.

Details about the acquisition will be discussed next Wednesday during the first half 2017 results conference call, please find the information below.

1. Last 12 months as of June, 2017

## **DIAL-IN**

A conference call will be held on Wednesday, July 26, 2017 at 9:00 am Eastern (8:00 am Central).

To access the call, please dial:

Domestic US +1 (844) 839 2191

International +1 (412) 317 2519

Conference ID: GRUPO BIMBO

## **WEBCAST**

A webcast for this call can also be accessed at Grupo Bimbo's website: [www.grupobimbo.com/ri/](http://www.grupobimbo.com/ri/)

## **REPLAY**

A replay will be available until August 2, 2017. You can access the replay through Grupo Bimbo's website [www.grupobimbo.com/ir/](http://www.grupobimbo.com/ir/) or by dialing:

Domestic US +1 (877) 344 7529

International +1 (412) 317 0088

Canada +1 ((855) 669 9658

Conference ID: 10108703

## **About Grupo Bimbo**

Grupo Bimbo is the largest baking Company in the world, in terms of volume and sales. Grupo Bimbo has 175 plants and more than 1,700 sales centers strategically located in 24 countries throughout the Americas, Europe, Asia and Africa. Its main product lines include fresh and frozen sliced bread, buns, cookies, snack cakes, English muffins, bagels, pre-packaged foods, tortillas, salted snacks and confectionery products, among others. Grupo Bimbo produces over 13,000 products and has one of the largest direct distribution networks in the world, with more than 2.9 million points of sale, around 56,000 routes and more than 133,000 associates. Its shares trade on the Mexican Stock Exchange (BMV) under the ticker symbol BIMBO, and in the over-the-counter market in the United States with a Level 1 ADR, under the ticker symbol BMBOY.

## **Investor Relations**

[www.grupobimbo.com/ir](http://www.grupobimbo.com/ir)

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