Analysis of the period completed on December 31, 2022

In 2022, consolidated net sales reached a record figure of $31.6 billion, 21.0% higher than the previous year, mainly benefiting from price increases implemented in the last twelve months and, to a lesser extent, from volume increases in some key categories. Excluding the acquisition of Mediterráneo*, sales grew 20.3% during the year.

In the Preserves segment, sales grew by 20.8% to $25.3 billion. In the main categories of the portfolio, the Company surpassed the market in market share.

Impulse net sales reached $3.9 billion, 19.7% higher than the previous year. The recovery of the segment is due to a combination of: i) an increase in average ticket, and ii) the consistent recovery of traffic in stores. In Heldos Nestlé®, the traditional channel maintained its recovery trend.

Export sales were $2.4 billion, 25.3% higher than in 2021, benefiting from price increases implemented during the year, as well as higher volumes of homestylesauces and mole, mainly.

At the end of the year, Preserves represented 80%, Impulse 12%, and Export 8% of total net sales, thus reporting a very similar mix to that of 2021.

The consolidated gross margin contracted by 1.5 percentage points to 35.4%. This is explained by a 1.9 percentage point decrease in the Preserves margin as a result of the increase in the costof maininputs and packaging materials. On the other hand, the Impulse gross margin expanded by 1.5 percentage points, mainly driven by a higher share of the traditional channel in the Heldos Nestlé® sales mix.

Consolidated general expenses decreased by 1.4 percentage points to 23.7% as a proportion of net sales, thanks to operational leverage that offset increases in freight rates experienced during the year.

The consolidated operating profit before other income also reached a record level of $3.7 billion, 20.3% higher than the previous year, with a margin of 11.7%, in line with 2021.

The Company recorded other income of $119 million in the year. The operating profit was 27.4% higher than the previous year, reaching $3.8 billion, which represents a 0.6 percentage point expansion in the margin, reaching 12.1%.

The comprehensive net financing cost amounted to $767 million, 9.0% higher than the previous year due to: i) a higher average debt level during the year, and ii) the increase in interest rates.

The share of results from associates totaled $466 million, 42.0% below 2021, due to the impact of the increase in avocado prices and logistics and labor costs in MegaMex.

Consolidated net profit and majority net profit grew by 9.0% and 7.0%, reaching $2.266 billion and $777 million, respectively. Meanwhile, the consolidated and majority net margins stood at 7.2% and 2.5%, representing decreases of 0.5 and 0.3 percentage points, respectively, compared to the previous year.

The year's earnings before interest, taxes, depreciation, amortization, and other virtual items (EBITDA) amounted to $4.943 billion, 25.3% higher than 2021 and represented 15.6% of net sales, 0.5 percentage points above the previous year.

Net investment in assets totaled $726 million and was primarily allocated to the digital transformation project, maintenance projects, capacity increases for export sauces, short pasta, and tomato puree.

As of December 31, 2022, the cash position reached $2.406 billion, an increase of 8.6% compared to 2021.

The cash flow from operations for the year amounted to $4.260 billion, $2.945 billion higher than the previous year, mainly derived from initiatives to improve working capital in accounts receivable and payable. This allowed for net investment in assets of $726 million, the acquisition of Mediterraneo* for $587 million, payment of interest of $979 million, payment of dividends of $409 million, and share repurchases of $421 million.

The total liabilities at the end of the year amounted to $10.500 billion, $500 million more than the previous year. At year-end, the debt was 100% denominated in Mexican pesos, of which 76% was fixed-rate.

The consolidated net debt to EBITDA ratio was 1.8 times, while the net debt to consolidated equity ratio remained at 0.5 times.

The annual return to shareholders, considering dividends and share repurchases, was 7.1%.