

# Grupo Nutresa S. A.

Quarterly Report – Q3 2016



Grupo  
**nutresa**

A future  
Together

October 28th, 2016



Highest scores worldwide in the food products industry:

**Economic Dimension:**

- Codes of Business Conduct
- Customer Relationship Management
- Health & Nutrition
- Risk & Crisis Management

**Social Dimension:**

- Social Reporting
- Labor Practice Indicators and Human Rights

**Environmental Dimension:**

- Water Related Risks
- Environmental Reporting
- Packaging
- Raw Material Sourcing

According to the business reputation monitor MERCO Empresas and Líderes Empresariales (MERCOCOM Companies and Leaders), in its 2016 version, Grupo Nutresa has once again ranked as the second most-reputable company in the country.

**THE COMPANIES WITH THE BEST REPUTATION**

2016 Position	Points	Company	2015 Position
1	10.000	GRUPO BANCOLOMBIA	1
<b>2</b>	<b>9.787</b>	<b>GRUPO NUTRESA</b>	<b>2</b>
3	8.982	ALPINA	6
4	8.933	CEMENTOS ARGOS	9
5	8.798	AVIANCA	5
6	8.672	BAVARIA	7
7	8.583	ECOPETROL	3
8	8.310	GRUPO SURA	8
9	8.284	GRUPO EPM	4
10	8.278	GRUPO ÉXITO	10

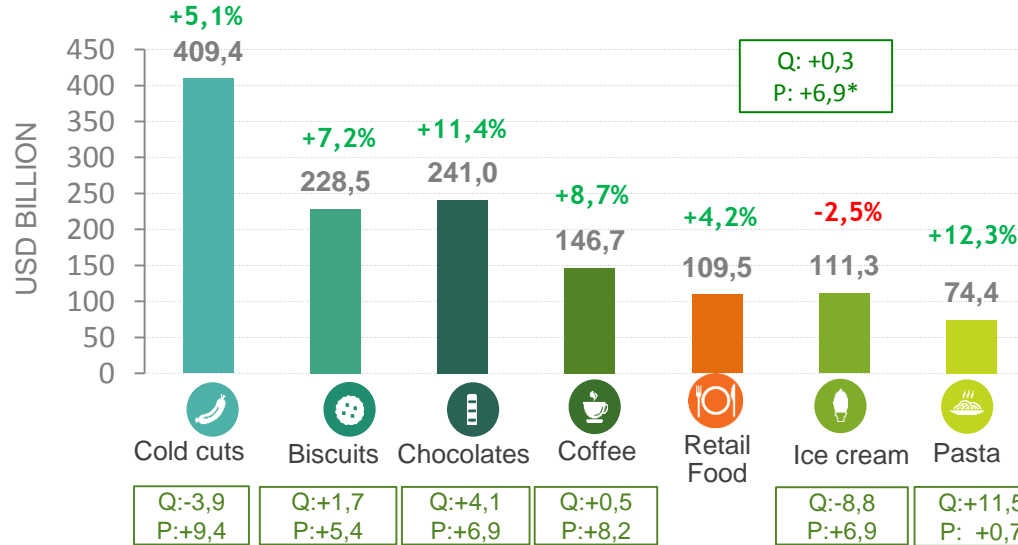
# 3Q16 Sales

## Colombia and international

### Colombia sales

COP 1.372,6 mm +7,0%

Cop billion



### SALES PER BUSINESS UNIT

## 3Q - 2016

Percentage variation in volume (Q) and prices (P) % chg. YoY Billion pesos

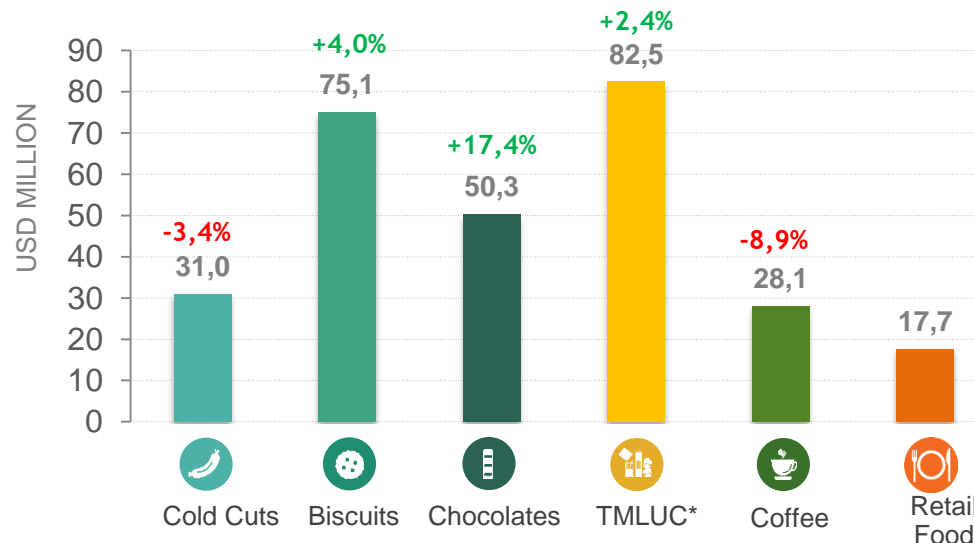
\* Variation doesn't include el Corral

### International Sales

USD 285,1 mm +3,1%

COP 841,4 +3,1%

Cop billion



International sales  
Ex-Venezuela: +4,2%  
% chg. YoY Million dollars

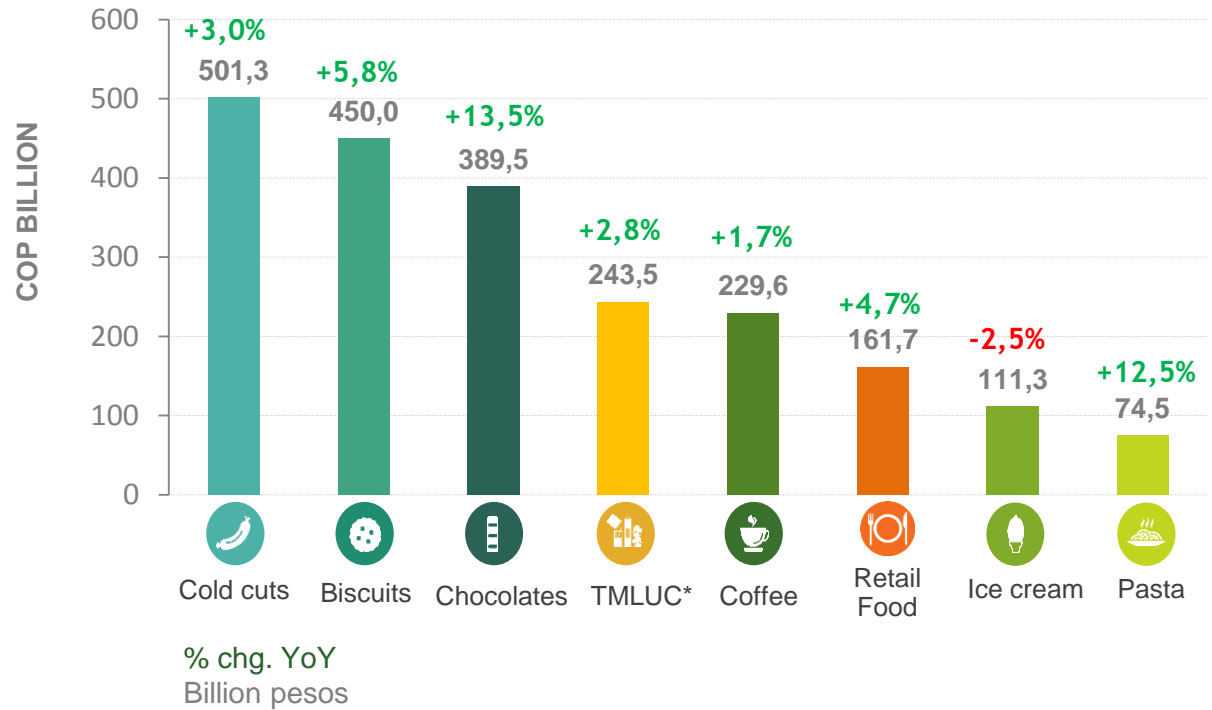
\* Tresmontes Lucchetti

\*\* Previously reported as Ice Cream

# Total 3Q16 Sales

## SALES PER BUSINESS UNIT 3Q - 2016

**TOTAL SALES**  
COP 2.214,0 +5,5%  
Miles de millones



\* Tresmontes Lucchetti

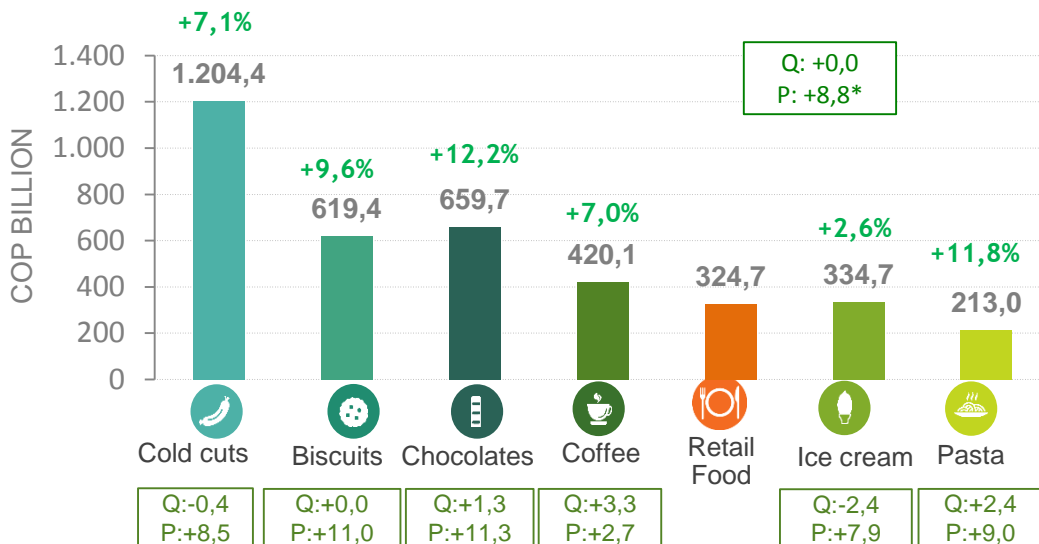
# 3Q16 accumulated sales Colombia and international

## Colombia sales

COP 3.923,2 mm +10,5%  
Cop billion

## Organic sales

COP 3.853,8 mm +8,5%  
Cop billion



## SALES PER BUSINESS UNIT

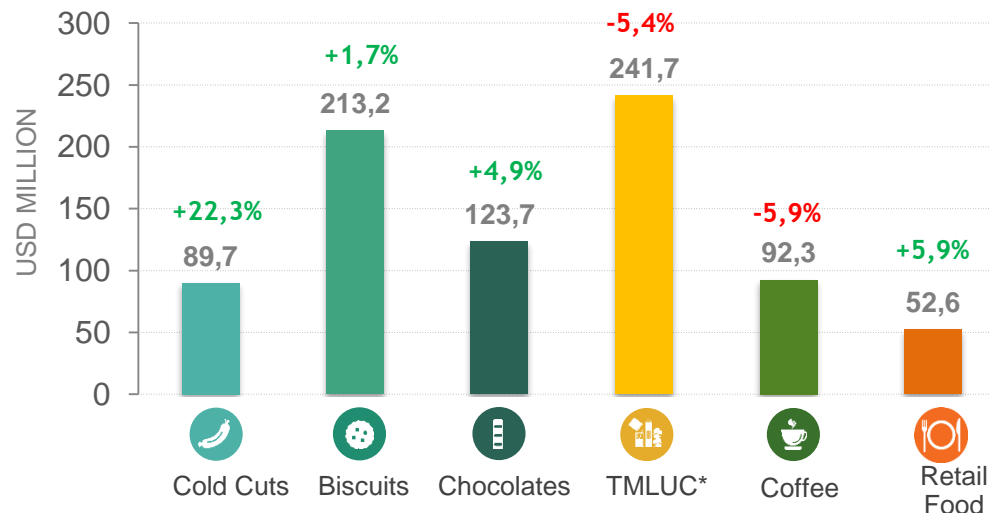
# 3Q - 2016

Percentage variation in volume (Q) and prices (P)  
% chg. YoY Billion pesos

\* Variation doesn't include el Corral

## International Sales

USD 815,5 mm +1,3%  
COP 2.496,1 +17,1%  
Cop billion



International sales  
Ex-Venezuela: -0,7%  
% chg. YoY Million dollars

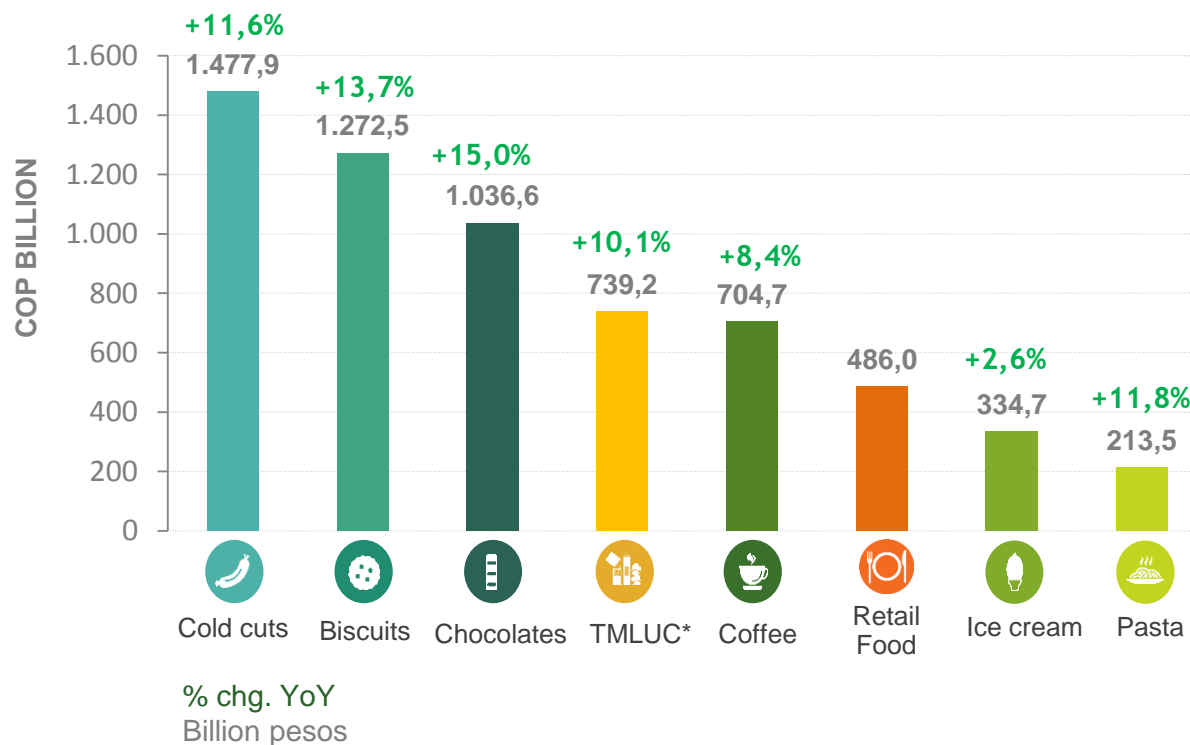
\* Tresmontes Lucchetti

\*\* Previously reported as Ice Cream

# Total accumulated sales

## SALES PER BUSINESS UNIT 3Q - 2016

**TOTAL SALES**  
COP 6.419,3 +13,0%  
Organic growth: +11,7%



\* Tresmontes Lucchetti

# Sales by region

## 3Q 2016




















**61,1%**  
COLOMBIAN  
SALES



**38,9%**  
INTERNATIONAL  
SALES

# Market share Colombia + TMLUC

Consolidated market share in Colombia: 60,8% -0,2%

Cold Cuts	Biscuits	Chocolates	Coffee	TMLUC	Ice Cream	Pasta	Retail Food
							
<b>73,3%</b> -0.1%	<b>55,4%</b> -0.3%	Chocolate confectionery <b>67,4% (A)</b> +0,3%  Hot chocolate <b>62,9% (B)</b> +0,6%  Milk modifiers <b>24,4% (C)</b> -0,6%  Nuts <b>56,1%</b> +2,0% (D)	Roast and ground coffee (A) <b>53,2%</b> -1,2%  Soluble coffee (B) <b>41,6%</b> -0.1% 	ICB* <b>64,5% (A)</b> +1,9% Pastas <b>28,3% (B)</b> +0,5% Coffee <b>16,7% (C)</b> +0,5% Potato Chips <b>13,5% (D)</b> +0,4% México ICB* <b>32,4% (E)</b> +2,0%	ICE CREAM ND 	<b>51,5%</b> -0.7% 	# 1 in Hamburguers and Steakhouses categories in Colombia   # 1 in Ice cream shops – Rep. Dom. & CR  
#2 Private labels 7,1%	#2 Nestlé 11,3% #3 Mondelez 10,4%	(A) #2 Ferrero 8,1% (B) #2 Casa Lúker 26,4% (C) #1 Nestlé 70,1% (D) Frito Lay 25,5%	(A) #2 Águila Roja 25,3% (B) #1 Nestlé 43,0%	(A) #2 Carozzi 33,1% (B) #1 Carozzi 45,8% (C) #1 Nestlé 70,2% (D) #1 Frito Lay 64,0% (D) #1 Mondelez 55.4%		#2 La Muñeca 30,5%	

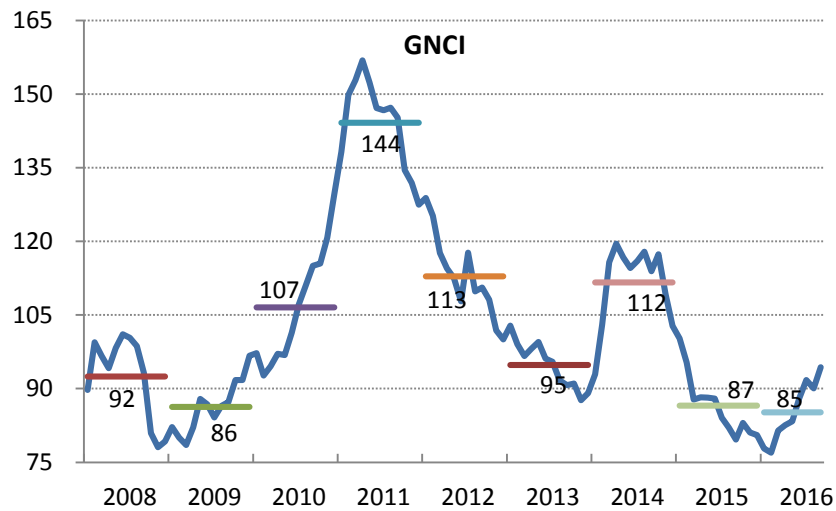
\*ICB= Instant Cold Beverages

Source: Nielsen twelve month as of september 2016.

(% share as in value and change vs. same period last year)

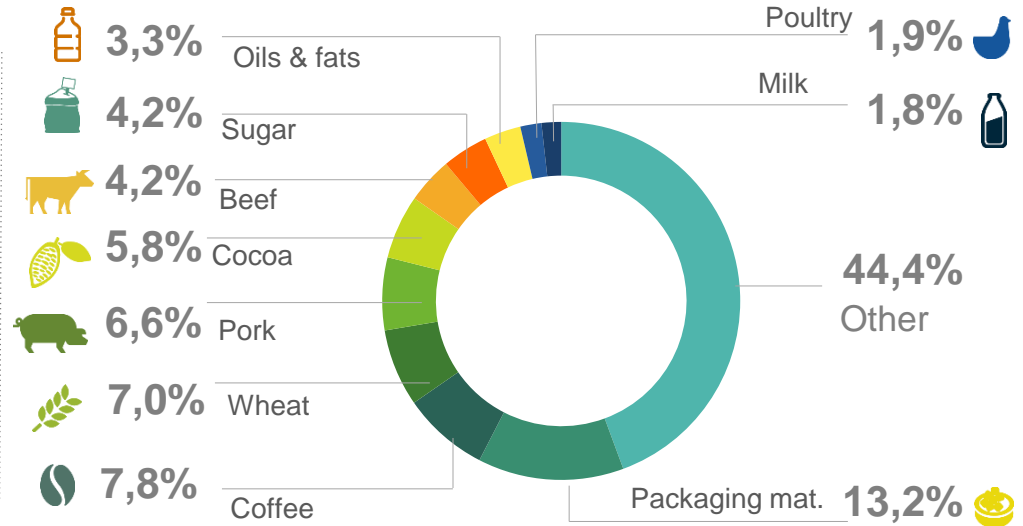


## GRUPO NUTRESA COMMODITIES INDEX



## COGS BREAKDOWN

(3Q16)



# EBITDA

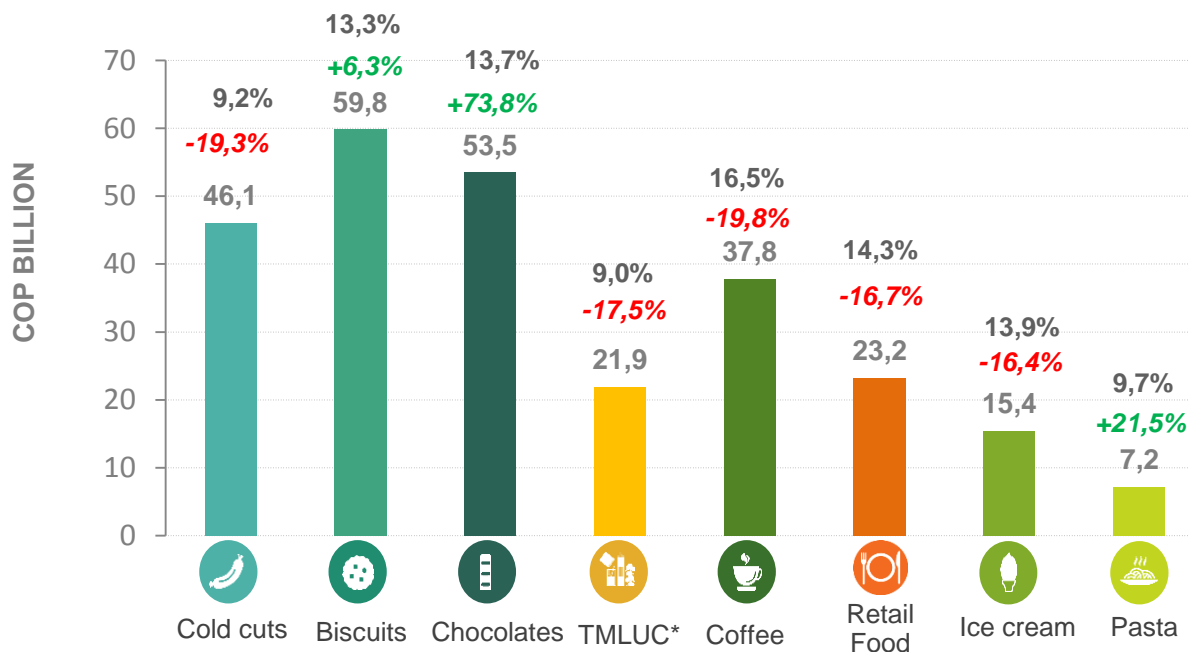
## 3Q16

### EBITDA

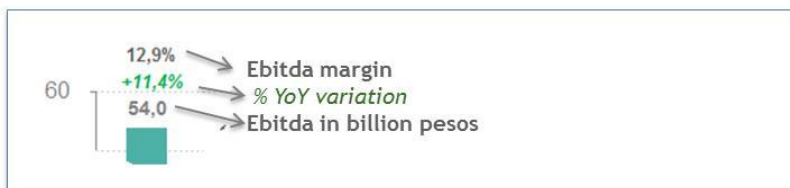
COP 266,1 -1,7%

Billion pesos

MARGIN 12,0%



### Convention:



\* Tresmontes Lucchetti



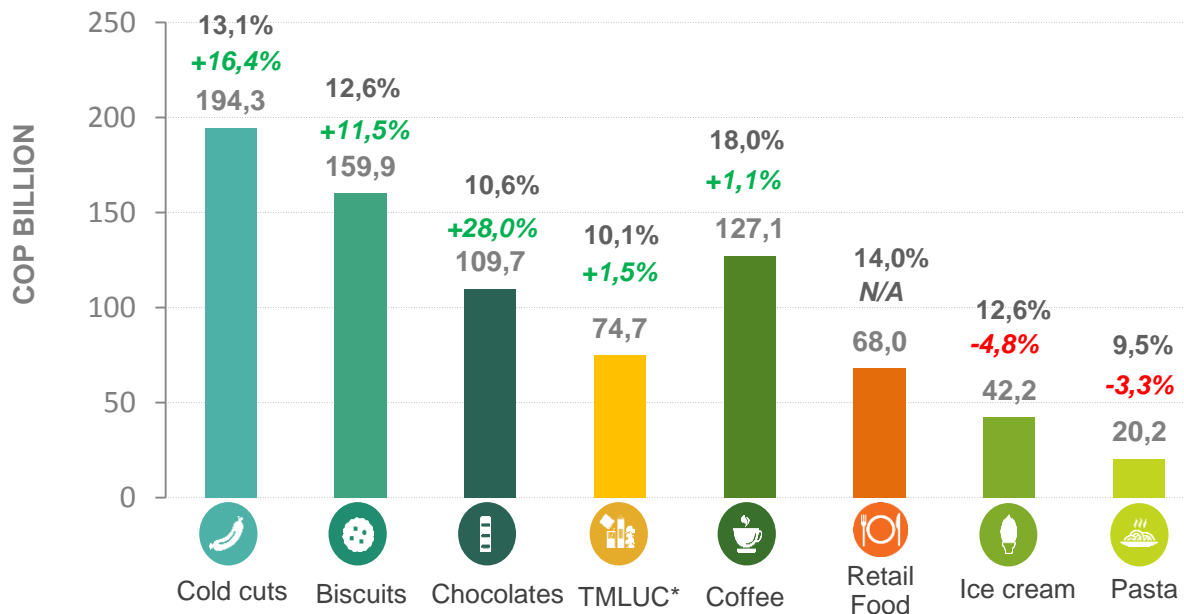
# EBITDA accumulated 3Q16

## EBITDA

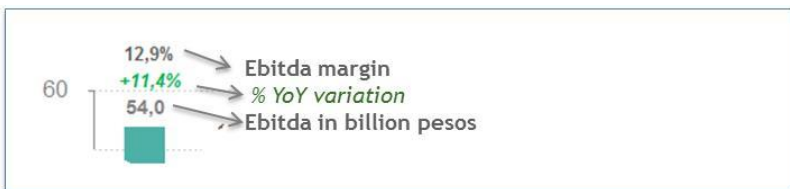
COP 800,3 +9,7%

Billion pesos

MARGIN 12,5%



### Convention:



\* Tresmontes Lucchetti

# Consolidated Income statement 3Q16

	2016-3Q	% Revenues	2015-3Q	% Revenues	% Var.
<b>Continuing operations</b>					
<b>Operating revenue</b>	<b>2.214.012</b>		<b>2.099.200</b>		<b>5,5%</b>
Cost of goods sold	(1.279.858)	-57,8%	(1.187.913)	-56,6%	7,7%
<b>Gross profit</b>	<b>934.154</b>	<b>42,2%</b>	<b>911.287</b>	<b>43,4%</b>	<b>2,5%</b>
Administrative expenses	(99.902)	-4,5%	(95.397)	-4,5%	4,7%
Sales expenses	(596.608)	-26,9%	(561.107)	-26,7%	6,3%
Production expenses	(37.705)	-1,7%	(31.886)	-1,5%	18,2%
Exchange differences on operating assets and liabilities	1.152	0,1%	(4.707)	-0,2%	-124,5%
Other operating expenses, net	8.885	0,4%	(3.726)	-0,2%	-338,5%
<b>Operating profit</b>	<b>209.976</b>	<b>9,5%</b>	<b>214.464</b>	<b>10,2%</b>	<b>-2,1%</b>
Financial income	3.061	0,1%	2.291	0,1%	33,6%
Financial expenses	(85.697)	-3,9%	(60.814)	-2,9%	40,9%
Exchange differences on non-operating assets and liabilities	3.685	0,2%	1.857	0,1%	98,4%
Loss on net monetary position	(14.419)	-0,7%	(10.010)	-0,5%	44,0%
Share of profit of associates and joint ventures	1.350	0,1%	703	0,0%	92,0%
Other income (expenses), net	-	-	19	0,0%	-100,0%
<b>Income before tax and non-controlling interest</b>	<b>117.956</b>	<b>5,3%</b>	<b>148.510</b>	<b>7,1%</b>	<b>-20,6%</b>
Current income tax	(37.516)	-1,7%	(47.782)	-2,3%	-21,5%
Deferred income tax	2.620	0,1%	(3.491)	-0,2%	-175,1%
<b>Profit after taxes from continuous operations</b>	<b>83.060</b>	<b>3,8%</b>	<b>97.237</b>	<b>4,6%</b>	<b>-14,6%</b>
Discontinued operations, after income tax	55	0,0%	(446)	0,0%	-112,3%
<b>Net profit for the year</b>	<b>83.115</b>	<b>3,8%</b>	<b>96.791</b>	<b>4,6%</b>	<b>-14,1%</b>
Non-controlling interest	(1.122)	-0,1%	(920)	0,0%	22,0%
<b>Profit for attributable to controlling interest</b>	<b>81.993</b>	<b>3,7%</b>	<b>95.871</b>	<b>4,6%</b>	<b>-14,5%</b>
<b>Consolidated EBITDA</b>	<b>266.125</b>	<b>12,0%</b>	<b>270.788</b>	<b>12,9%</b>	<b>-1,7%</b>

For further details please check the notes of the financial statements on the following link:

<http://www.gruponutresa.com/inversionistas/resultados-y-publicaciones/resultados-trimestrales/?lang=en#2016-3>

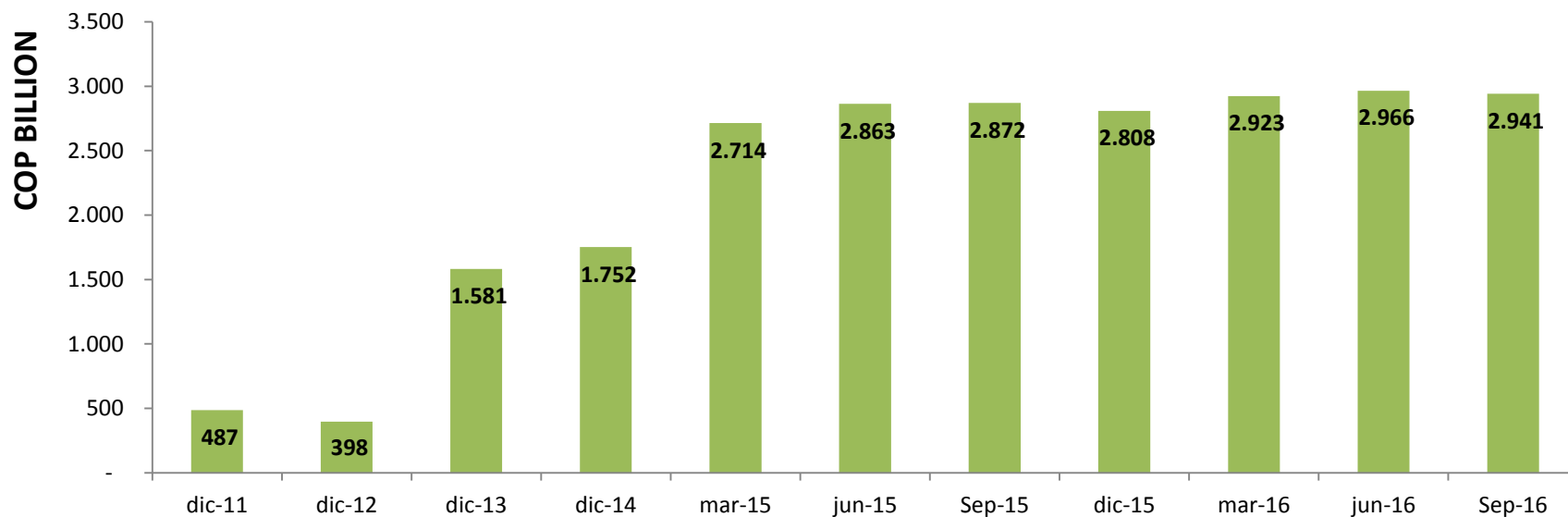
# Consolidated accumulated Income statement 3Q16

	2016-Accum	% Revenues	2015-Accum	% Revenues	% Var.
<b>Continuing operations</b>					
<b>Operating revenue</b>	<b>6.419.295</b>		<b>5.682.601</b>		<b>13,0%</b>
Cost of goods sold	(3.679.153)	-57,3%	(3.205.159)	-56,4%	14,8%
<b>Gross profit</b>	<b>2.740.142</b>	<b>42,7%</b>	<b>2.477.442</b>	<b>43,6%</b>	<b>10,6%</b>
Administrative expenses	(293.889)	-4,6%	(278.481)	-4,9%	5,5%
Sales expenses	(1.725.263)	-26,9%	(1.517.307)	-26,7%	13,7%
Production expenses	(107.009)	-1,7%	(96.520)	-1,7%	10,9%
Exchange differences on operating assets and liabilities	16.938	0,3%	3.173	0,1%	433,8%
Other operating expenses, net	17.441	0,3%	(1.635)	0,0%	NA
<b>Operating profit</b>	<b>648.360</b>	<b>10,1%</b>	<b>586.672</b>	<b>10,3%</b>	<b>10,5%</b>
Financial income	7.708	0,1%	7.247	0,1%	6,4%
Financial expenses	(238.650)	-3,7%	(171.084)	-3,0%	39,5%
Portfolio dividends	50.494	0,8%	46.962	0,8%	7,5%
Exchange differences on non-operating assets and liabilities	(8.668)	-0,1%	14.771	0,3%	-158,7%
Loss on net monetary position	(32.946)	-0,5%	(17.376)	-0,3%	89,6%
Share of profit of associates and joint ventures	2.154	0,0%	1.851	0,0%	16,4%
Other income (expenses), net	-	0,0%	81	0,0%	-100,0%
<b>Income before tax and non-controlling interest</b>	<b>428.452</b>	<b>6,7%</b>	<b>469.124</b>	<b>8,3%</b>	<b>-8,7%</b>
Current income tax	(135.723)	-2,1%	(137.645)	-2,4%	-1,4%
Deferred income tax	23.579	0,4%	1.324	0,0%	NA
<b>Profit after taxes from continuous operations</b>	<b>316.308</b>	<b>4,9%</b>	<b>332.803</b>	<b>5,9%</b>	<b>-5,0%</b>
Discontinued operations, after income tax	(192)	0,0%	(4.760)	-0,1%	-96,0%
<b>Net profit for the year</b>	<b>316.116</b>	<b>4,9%</b>	<b>328.043</b>	<b>5,8%</b>	<b>-3,6%</b>
Non-controlling interest	(3.039)	0,0%	(1.888)	0,0%	61,0%
<b>Profit for attributable to controlling interest</b>	<b>313.077</b>	<b>4,9%</b>	<b>326.155</b>	<b>5,7%</b>	<b>-4,0%</b>
<b>Consolidated EBITDA</b>	<b>800.328</b>	<b>12,5%</b>	<b>729.671</b>	<b>12,8%</b>	<b>9,7%</b>

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# Consolidated net debt



RATIO	dic-11	dic-12	dic-13	dic-14	mar-15	jun-15	Sep-15	dic-15	mar-16	jun-16	Sep-16
<b>Net debt / EBITDA</b>	0,86	0,59	1,90	2,10	3,21	3,29	3,08	2,88	2,86	2,82	2,81
<b>EBITDA / Interest</b>	8,85	12,74	10,38	5,83	5,80	5,01	4,93	4,70	4,54	4,25	3,87
<b>Interest / Sales</b>	1,27%	0,99%	1,36%	2,21%	2,20%	2,49%	2,53%	2,61%	2,71%	2,89%	3,12%

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This presentation and further detailed information can be found in the following link in our section "**Grupo Nutresa Valuation Kit**":  
<http://www.gruponutresa.com/es/content/gruponutresa-valuation-kit-gnvk>

For more information regarding Grupo Nutresa's level 1ADR, please call The Bank of New York Mellon marketing desk

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# Balance sheet

## 3Q 2016

	September 2016	% Var.	December 2015
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	222.833	-22,10%	286.064
Trade and other receivables	869.999	-0,94%	878.280
Inventories	1.081.609	4,71%	1.032.969
Biological assets	66.216	24,66%	53.119
Other current assets	285.916	29,51%	220.762
Non-current assets held for sale	76.079	6,14%	71.679
<b>Total current assets</b>	<b>2.602.652</b>	<b>2,35%</b>	<b>2.542.873</b>
<b>Non-current assets</b>			
Trade and other receivables	26.261	-1,75%	26.729
Non-current, biological assets	7.151	25,48%	5.699
Investments in associated and joint ventures	161.801	48,41%	109.021
Other financial non-current assets	3.725.217	8,98%	3.418.149
Property, plant and equipment, net	3.311.507	-2,13%	3.383.722
Investment properties	71.951	-12,67%	82.393
Goodwill	2.009.524	-1,17%	2.033.403
Other intangible assets	1.149.421	-2,59%	1.179.957
Deferred tax assets	363.222	2,18%	355.461
Other assets	46.257	13,81%	40.645
<b>Total non-current assets</b>	<b>10.872.312</b>	<b>2,23%</b>	<b>10.635.179</b>
<b>TOTAL ASSETS</b>	<b>13.474.964</b>	<b>2,25%</b>	<b>13.178.052</b>

	September 2016	% Var.	December 2015
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial obligations	799.469	-24,6%	1.059.660
Trade and other payables	855.542	3,6%	825.435
Tax charges	206.372	19,8%	172.323
Employee benefits liabilities	162.674	1,3%	160.628
Current provisions	2.921	-33,8%	4.415
Other liabilities	28.191	5,8%	26.641
<b>Total current liabilities</b>	<b>2.055.169</b>	<b>-8,6%</b>	<b>2.249.102</b>
<b>Non-current liabilities</b>			
Financial obligations	2.364.526	16,2%	2.034.604
Trade and other payables	158	-0,6%	159
Employee benefits liabilities	224.265	6,0%	211.533
Deferred tax liabilities	631.573	-1,3%	639.810
Other liabilities	748	0,0%	-
<b>Total non-current liabilities</b>	<b>3.221.270</b>	<b>11,6%</b>	<b>2.886.106</b>
<b>TOTAL LIABILITIES</b>	<b>5.276.439</b>	<b>2,8%</b>	<b>5.135.208</b>
<b>SHAREHOLDER EQUITY</b>			
<b>Equity attributable to the controlling interest</b>	<b>8.162.045</b>	<b>1,9%</b>	<b>8.008.485</b>
Non-controlling interest	36.480	6,2%	34.359
<b>TOTAL SHAREHOLDER EQUITY</b>	<b>8.198.525</b>	<b>1,9%</b>	<b>8.042.844</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13.474.964</b>	<b>2,3%</b>	<b>13.178.052</b>

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