



**A FUTURE  
TOGETHER**

**Grupo Nutresa S. A.**  
**Earnings results 3Q 2018**  
**October 29, 2018**



# Relevant events

**8x** MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



**4x** **merco**  
EMPRESAS Y LÍDERES

Global highest scores in the food sector in:



HEALTH AND NUTRITION



TAX ESTRATEGY



ENVIRONMENTAL REPORT



PACKING



CLIMATE CHANGE STRATEGY



RISKS RELATED TO WATER

For the fourth consecutive year, Grupo Nutresa, is the second best company in Colombia in terms of reputation, and the first in the food sector.

**Methodology:** Evaluations performed by

- Leaders
- Experts
- Merit Evaluation
- Merco Talent, Merco Consumption and Merco Digital
- Perception and evaluation of 24 different sources
- More than 51,000 surveys

# Relevant events



## Grupo Nutresa acquires 60% of Productos Naturela

### Productos Naturela S.A.:

- Colombian company dedicated to the production and distribution of healthy and functional products.
- Currently has several healthy food lines with superfoods such as Spirulina, infusions, snacks, and supplements with other ingredients such as chlorophyll, turmeric, chia y flaxseeds.

### The transaction:

- Capitalization for COP 3,221 million, equivalent to 60% of the capital.
- The three founders will continue as shareholders and will remain managing the business with an entrepreneurial and innovative spirit and the backing of Grupo Nutresa.



## Relevant events - Innovation in Health and Nutrition



*Pietrán free of preservatives and added nitrites, is a successful innovation that integrates science and technology with the aim of continuing to provide better options that promote healthy lifestyles for our consumers.*



*Pietrán Veggie Burger and Veggie Bites are part of a new category of products composed of 100% vegetable protein. These innovations target consumers who are looking for differentiating products, and lighter alternatives with better nutritional profiles.*

## Relevant events - Innovation in Health and Nutrition

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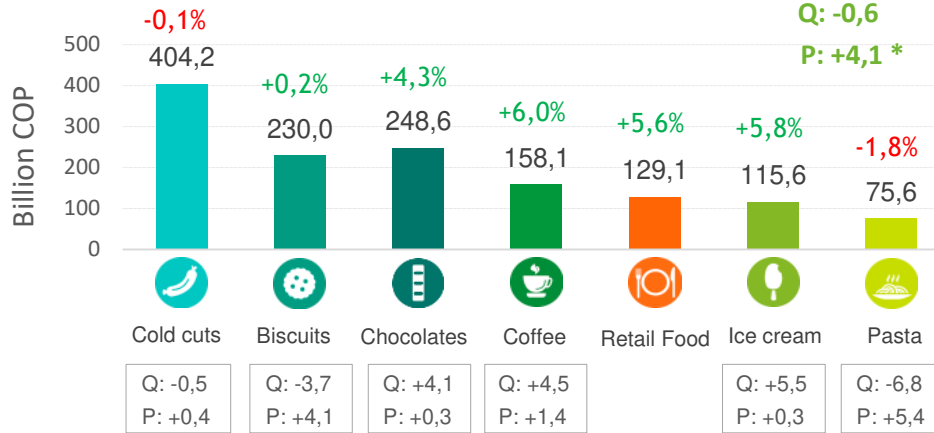


*Bénet*, Grupo Nutresa's expert nutrition brand launches a new category of specialized nutrition: gummies and soft capsules with vitamins and minerals.

# 3Q18 Sales

## Colombia & international

**Colombia Sales**  
 COP 1.446,6 +3,6%  
 Billion COP



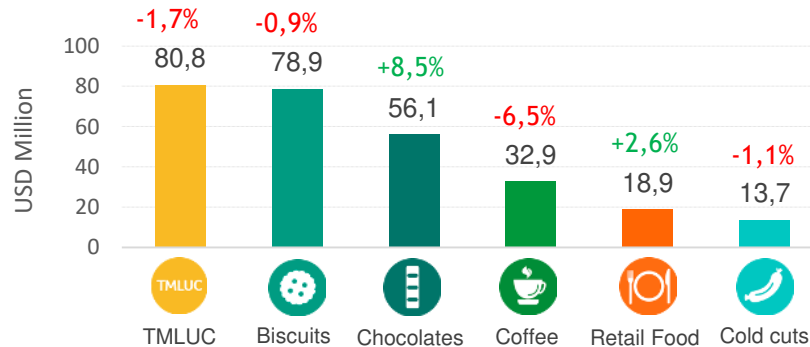
**SALES PER BUSINESS UNIT**

**3Q - 2018**

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

\* Variation doesn't include Retail Food

**International Sales**  
 USD 282,6 +0,5%  
 COP 836,2 -0,03%  
 Billion COP



% chg. YoY Million dollars

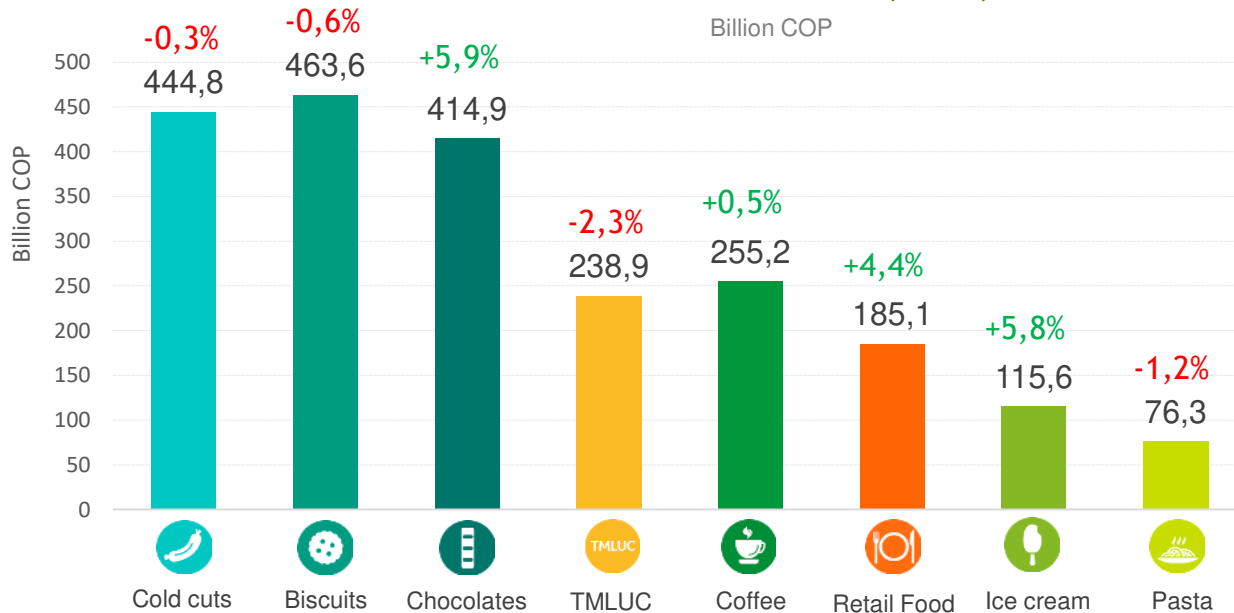
### SALES PER BUSINESS UNIT

# 3Q18

## SALES TOTAL

COP 2.282,8 +2,3%

Billion COP



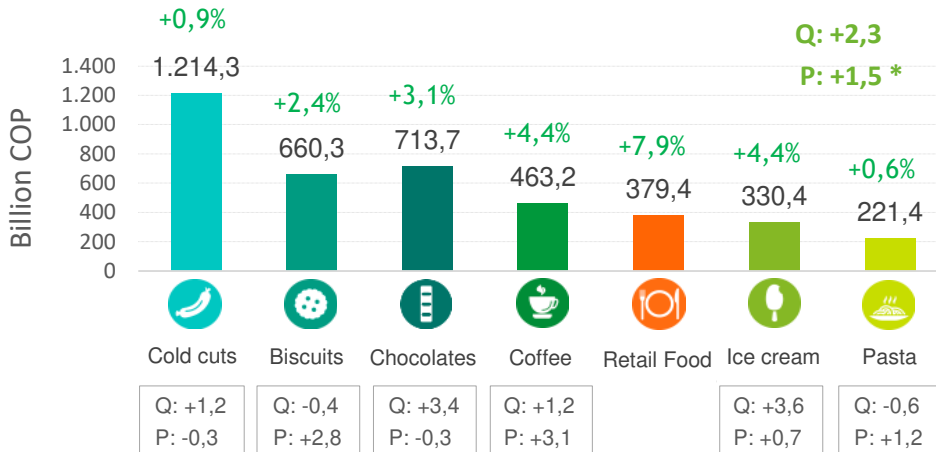
% chg. YoY  
Billion COP

# Accumulated Sales

## Colombia & international

### Colombia Sales

COP 4.213,9 +4,1%  
Billion COP



### SALES PER BUSINESS UNIT

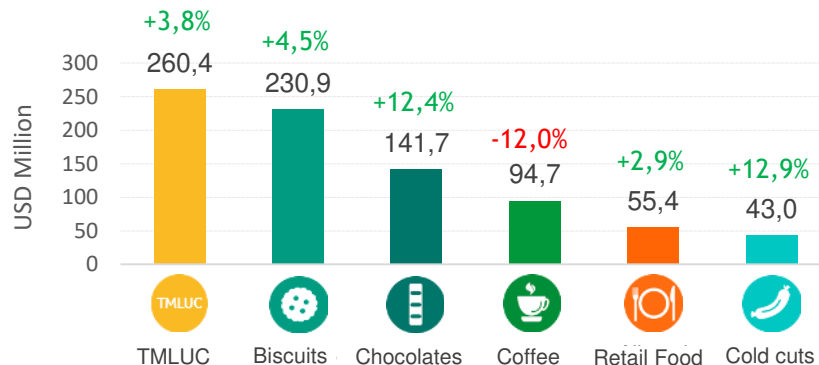
# 2018

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

\* Variation doesn't include Retail Food

### International Sales

USD 829,8 +4,0%  
COP 2.395,4 +2,1%  
Billion COP



% chg. YoY Million dollars



# Accumulated Sales Total

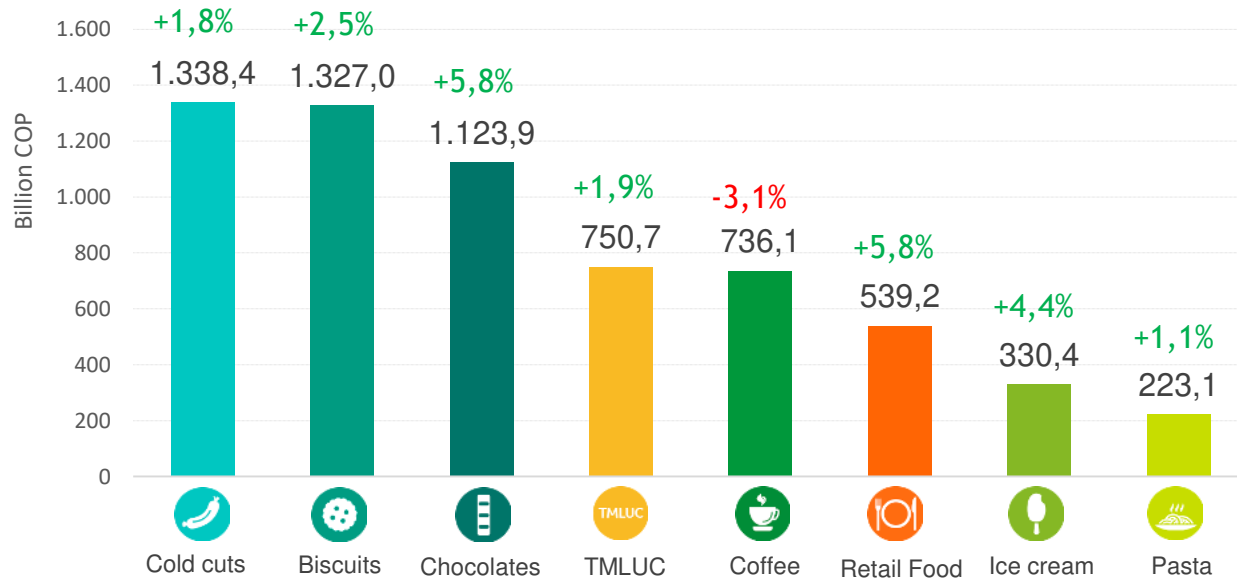
## SALES PER BUSINESS UNIT

### 2018

## SALES TOTAL

COP 6.609,3 +3,4%

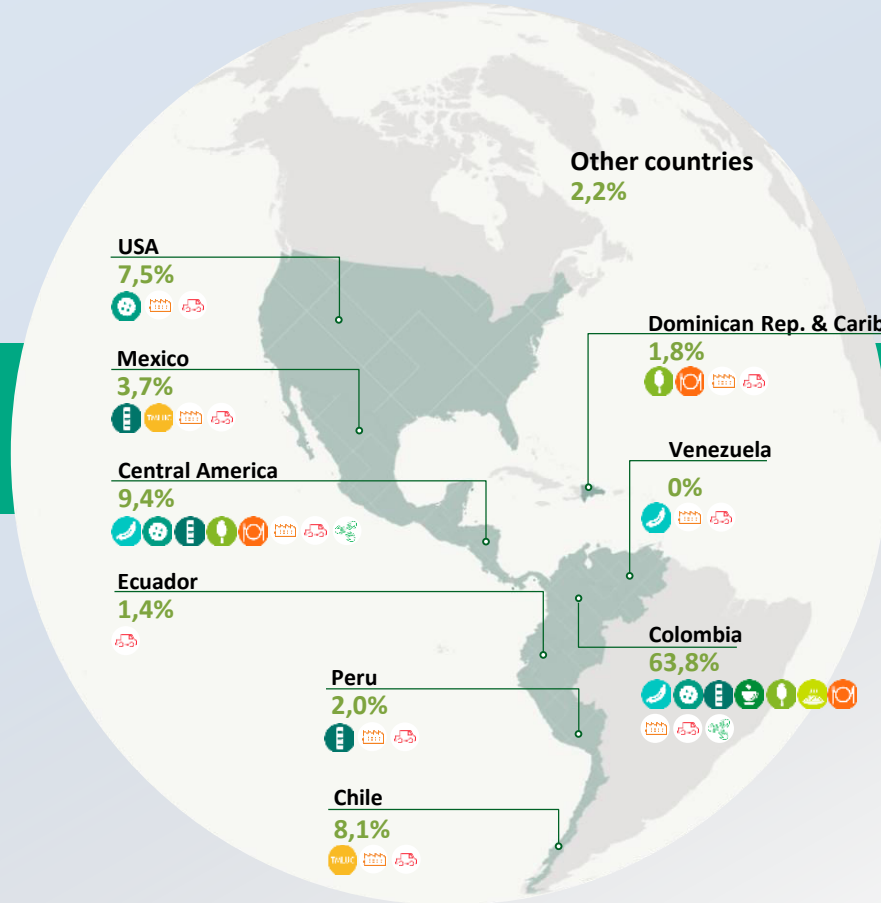
Billion COP



% chg. YoY  
Billion COP

# Sales by region 2018























63,8%  
COLOMBIA



36,2%  
INTERNATIONAL

# Market share Colombia + TMLUC

Consolidated market share in Colombia: 59,3% -0,5%

| Cold Cuts  | Biscuits   | Chocolates   | Coffee  | TMLUC  | Ice Cream   | Pasta  | Retail Food   |
|--|--|--|---|--|---|--|---|
|   |   |   |    |                                     |  |   |  |
| 71,2%<br>-1,1%   | 54,0%<br>0,3%  | Chocolate confectionery<br>69,7% (A)<br>+0,7%  | Roast and ground coffee (A)<br>51,2%<br>-0,4%   | ICB*<br>57,7% (A)<br>-1,9%   | Ice cream<br>ND   | 51,6%<br>+0.1%   | # 1 in Hamburgers and Steakhouses categories in Colombia                            |
| <br> | <br> | <br>Hot chocolate<br>62,6% (B)<br>-0,9% | <br>Soluble coffee (B)<br>38,3%<br>-2,0% | <br>Pasta<br>27,2% (B)<br>-0,7%     |  | <br> | # 1 in Ice Cream shops – Rep. Dom & CR  |
|   |  | Milk modifiers<br>23,0% (C)<br>-0,8%   |    | Coffee<br>19,4% (C)<br>+1,1%   |   | <br> |   |
| Nuts<br>54,2%<br>-1,2% (D)   |  | Nuts<br>54,2%<br>-1,2% (D)   |   | Potato chips<br>16,6% (D)<br>+0,8%   |   |  |   |
| Mexico ICB*<br>35,4 (E)<br>+1,7%   |  |  |   |  |   |  |   |
| #2 Private labels 6,9 %  | #2 Nestlé 11,6%<br>#3 Mondelez 10,4%   | (A) #2 Ferrero 8,7%<br>(B) #2 Casa Lúker 25,9%<br>(C) #1 Nestlé 72,6%<br>(D) #2 Frito Lay 25,1%                          | (A) #2 Águila Roja 25,0%<br>(B) #1 Nestlé 45,1%   | (A) #2 Carozzi 41,0%<br>(B) #1 Carozzi 41,2%<br>(C) #1 Nestlé 67,8%<br>(D) #1 Frito Lay 53,1%<br>(E) #1 Mondelez 54,0% |   | #2 La Muñeca 31,8%   |   |

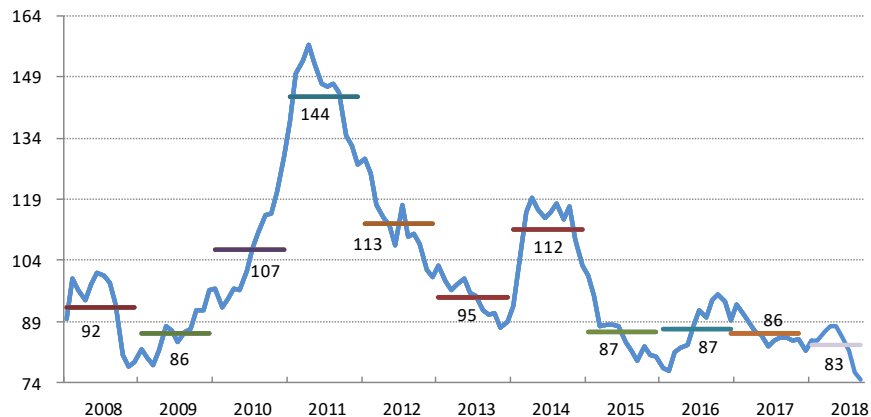
\*ICB= Instant Cold Beverages

Source: Nielsen twelve month as of September 2018.

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

# Raw materials

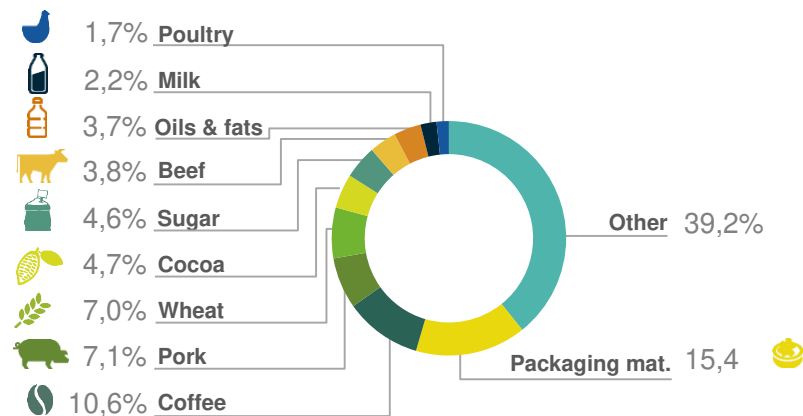
## Grupo Nutresa Commodities Index



The technical specifications of the GNCI may be obtained at:  
<https://www.gruponutresa.com/en/inversionistas/resultados-y-publicaciones/resultados-trimestrales/#2018-3>

## Cogs Breakdown

2018



# EBITDA

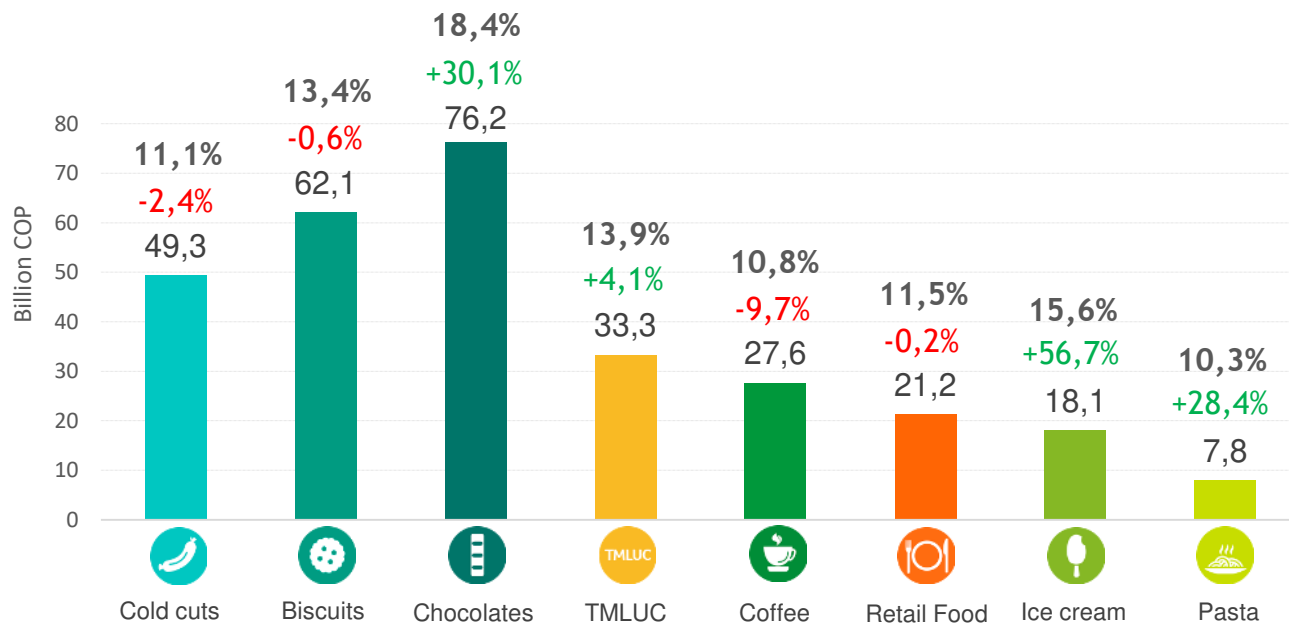
3Q18

## EBITDA

COP 300,8 +10,2%

Billion COP

MARGIN 13,2%



### Convention:

11,1% EBITDA margin  
-2,4% % YoY variation  
49,3 EBITDA in Billion COP

# EBITDA

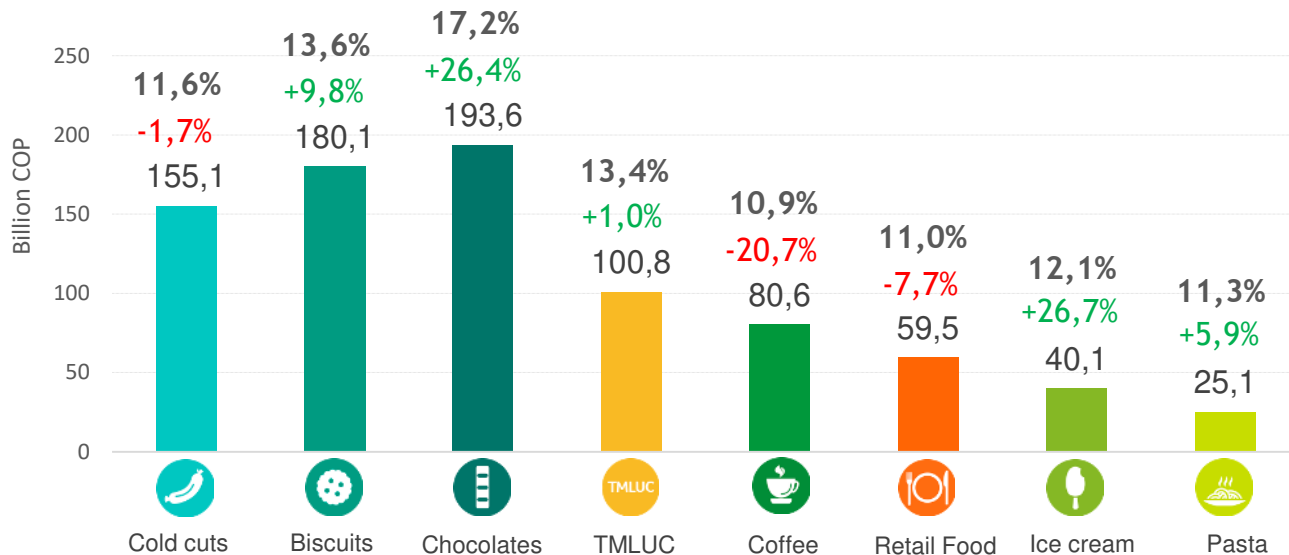
Accumulated 2018

## EBITDA

COP 840,8 +5,1%

Billion COP

MARGIN 12,7%



### Convention:

11,6% EBITDA margin

-1,7% % YoY variation

155,1 EBITDA in Billion COP



# Income Statement

## 3Q18 Comprehensive

|   | 2018 - 3Q        | % Revenues   | 2017 - 3Q        | % Revenues   | % Var.       |
|---|------------------|--------------|------------------|--------------|--------------|
| <b>Continuing operations</b>                                      |                  |              |                  |              |              |
| <b>Operating revenue</b>  | <b>2.282.784</b> |              | <b>2.232.343</b> |              | <b>2,3%</b>  |
| Cost of goods sold  | (1.242.686)      | -54,4%       | (1.236.124)      | -55,4%       | 0,5%         |
| <b>Gross profit</b>   | <b>1.040.098</b> | <b>45,6%</b> | <b>996.219</b>   | <b>44,6%</b> | <b>4,4%</b>  |
| Administrative expenses   | (102.539)        | -4,5%        | (97.458)         | -4,4%        | 5,2%         |
| Sales expenses  | (669.434)        | -29,3%       | (656.668)        | -29,4%       | 1,9%         |
| Production expenses   | (36.861)         | -1,6%        | (35.038)         | -1,6%        | 5,2%         |
| Exchange differences on operating assets and liabilities          | (2.342)          | -0,1%        | 1.107            | 0,0%         | N/A          |
| Other operating expenses, net                                     | 4.612            | 0,2%         | (43)             | 0,0%         | N/A          |
| <b>Operating profit</b>   | <b>233.534</b>   | <b>10,2%</b> | <b>208.119</b>   | <b>9,3%</b>  | <b>12,2%</b> |
| Financial income  | 4.025            | 0,2%         | 3.436            | 0,2%         | 17,1%        |
| Financial expenses  | (58.084)         | -2,5%        | (71.811)         | -3,2%        | -19,1%       |
| Exchange differences on non-operating assets and liabilities      | 4.505            | 0,2%         | (10.725)         | -0,5%        | -142,0%      |
| Share of profit of associates and joint ventures                  | 639              | 0,0%         | (1.075)          | 0,0%         | -159,4%      |
| Other income (expenses), net                                      | 8.793            | 0,4%         | -                | 0,0%         | -            |
| <b>Income before tax and non-controlling interest</b>             | <b>193.412</b>   | <b>8,5%</b>  | <b>127.944</b>   | <b>5,7%</b>  | <b>51,2%</b> |
| Current income tax  | (46.946)         | -2,1%        | (49.440)         | -2,2%        | -5,0%        |
| Deferred income tax   | (4.183)          | -0,2%        | 11.262           | 0,5%         | -137,1%      |
| <b>Profit after taxes from continuous operations</b>              | <b>142.283</b>   | <b>6,2%</b>  | <b>89.766</b>    | <b>4,0%</b>  | <b>58,5%</b> |
| Discontinued operations, after income tax                         | (423)            | 0,0%         | (141)            | 0,0%         | 200,0%       |
| <b>Net profit for the period</b>                                  | <b>141.860</b>   | <b>6,2%</b>  | <b>89.625</b>    | <b>4,0%</b>  | <b>58,3%</b> |
| Non-controlling interest  | 1.128            | 0,0%         | 1.046            | 0,0%         | 7,8%         |
| <b>Profit for the period attributable to controlling interest</b> | <b>140.732</b>   | <b>6,2%</b>  | <b>88.579</b>    | <b>4,0%</b>  | <b>58,9%</b> |
| <b>EBITDA</b>   | <b>300.826</b>   | <b>13,2%</b> | <b>273.008</b>   | <b>12,2%</b> | <b>10,2%</b> |

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

<https://www.gruponutresa.com/en/inversionistas/resultados-y-publicaciones/resultados-trimestrales/#2018-3>

# Income Statement

## Accumulated

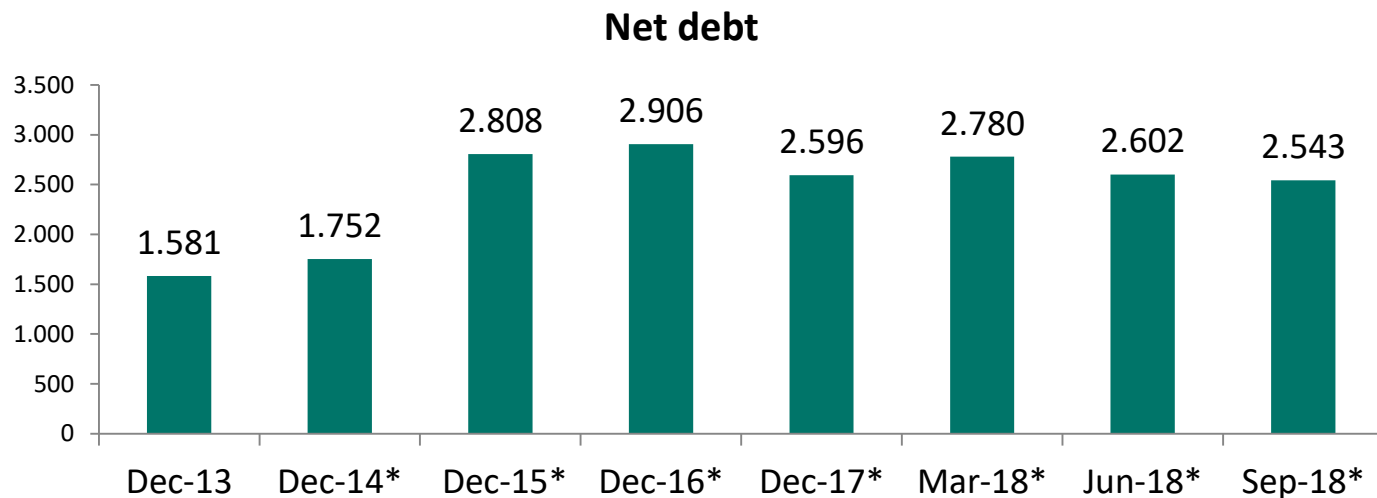
|   | Jan-Sep 2018     | % Revenues   | Jan-Sep 2017     | % Revenues   | % Var.       |
|---|------------------|--------------|------------------|--------------|--------------|
| <b>Continuing operations</b>                                      |                  |              |                  |              |              |
| <b>Operating revenue</b>  | <b>6.609.298</b> |              | <b>6.391.409</b> |              | <b>3,4%</b>  |
| Cost of goods sold  | (3.641.026)      | -55,1%       | (3.569.154)      | -55,8%       | 2,0%         |
| <b>Gross profit</b>   | <b>2.968.272</b> | <b>44,9%</b> | <b>2.822.255</b> | <b>44,2%</b> | <b>5,2%</b>  |
| Administrative expenses   | (299.442)        | -4,5%        | (293.049)        | -4,6%        | 2,2%         |
| Sales expenses  | (1.932.962)      | -29,2%       | (1.845.163)      | -28,9%       | 4,8%         |
| Production expenses   | (105.573)        | -1,6%        | (101.420)        | -1,6%        | 4,1%         |
| Exchange differences on operating assets and liabilities          | (478)            | 0,0%         | 1.330            | 0,0%         | -135,9%      |
| Other operating expenses, net                                     | 4.009            | 0,1%         | 21.549           | 0,3%         | -81,4%       |
| <b>Operating profit</b>   | <b>633.826</b>   | <b>9,6%</b>  | <b>605.502</b>   | <b>9,5%</b>  | <b>4,7%</b>  |
| Financial income  | 11.059           | 0,2%         | 10.280           | 0,2%         | 7,6%         |
| Financial expenses  | (191.440)        | -2,9%        | (239.784)        | -3,8%        | -20,2%       |
| Portfolio dividends   | 58.559           | 0,9%         | 54.321           | 0,8%         | 7,8%         |
| Exchange differences on non-operating assets and liabilities      | 15.090           | 0,2%         | (15.534)         | -0,2%        | -197,1%      |
| Share of profit of associates and joint ventures                  | (65)             | 0,0%         | 141              | 0,0%         | -146,1%      |
| Other income  | 6.038            | 0,1%         | 3.313            | 0,1%         | 82,3%        |
| <b>Income before tax and non-controlling interest</b>             | <b>533.067</b>   | <b>8,1%</b>  | <b>418.239</b>   | <b>6,5%</b>  | <b>27,5%</b> |
| Current income tax  | (134.375)        | -2,0%        | (119.877)        | -1,9%        | 12,1%        |
| Deferred income tax   | (9.295)          | -0,1%        | 29.939           | 0,5%         | -131,0%      |
| <b>Profit after taxes from continuous operations</b>              | <b>389.397</b>   | <b>5,9%</b>  | <b>328.301</b>   | <b>5,1%</b>  | <b>18,6%</b> |
| Discontinued operations, after income tax                         | (1.266)          | 0,0%         | (1.175)          | 0,0%         | 7,7%         |
| <b>Net profit for the period</b>                                  | <b>388.131</b>   | <b>5,9%</b>  | <b>327.126</b>   | <b>5,1%</b>  | <b>18,6%</b> |
| Non-controlling interest  | 2.262            | 0,0%         | 2.868            | 0,0%         | -21,1%       |
| <b>Profit for the period attributable to controlling interest</b> | <b>385.869</b>   | <b>5,8%</b>  | <b>324.258</b>   | <b>5,1%</b>  | <b>19,0%</b> |
| <b>EBITDA</b>   | <b>840.842</b>   | <b>12,7%</b> | <b>800.218</b>   | <b>12,5%</b> | <b>5,1%</b>  |

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

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## Consolidated Net Debt



|                          | Dec-13       | Dec-14*      | Dec-15*      | Dec-16*      | Dec-17*      | Mar-18*      | Jun-18*      | Sep-18*      |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net debt</b>          | <b>1.581</b> | <b>1.752</b> | <b>2.808</b> | <b>2.906</b> | <b>2.596</b> | <b>2.780</b> | <b>2.602</b> | <b>2.543</b> |
| <b>Net debt / EBITDA</b> | 1,90         | 2,10         | 2,88         | 2,82         | 2,49         | 2,64         | 2,46         | 2,34         |
| <b>EBITDA / Interest</b> | 10,38        | 5,83         | 4,70         | 3,52         | 4,35         | 4,57         | 4,93         | 5,25         |
| <b>Interest / Sales</b>  | 1,36%        | 2,21%        | 2,61%        | 3,37%        | 2,76%        | 2,63%        | 2,42%        | 2,32%        |

\* NIIF

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This presentation and further detailed information can be found in the following link in our section "Grupo Nutresa Valuation Kit":

<https://www.gruponutresa.com/en/inversionistas/grupo-nutresa-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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# Financial Position

2018

|  | September 2018    | December 2017     | % Var.       |
|--|-------------------|-------------------|--------------|
| <b>ASSETS</b>                                |                   |                   |              |
| <b>Current assets</b>                        |                   |                   |              |
| Cash and cash equivalents                    | 310.030           | 435.643           | -28,8%       |
| Trade and other receivables                  | 989.524           | 957.568           | 3,3%         |
| Inventories                                  | 1.041.679         | 982.816           | 6,0%         |
| Biological assets                            | 85.499            | 81.518            | 4,9%         |
| Other current assets                         | 325.976           | 221.475           | 47,2%        |
| Non-current assets held for sale             | 6.628             | 6.557             | 1,1%         |
| <b>Total current assets</b>                  | <b>2.759.336</b>  | <b>2.685.577</b>  | <b>2,7%</b>  |
| <b>Non-current assets</b>                    |                   |                   |              |
| Trade and other receivables                  | 26.197            | 26.509            | -1,2%        |
| Investments in associated and joint ventures | 181.617           | 180.451           | 0,6%         |
| Other financial non-current assets           | 3.367.394         | 4.133.963         | -18,5%       |
| Property, plant and equipment, net           | 3.297.443         | 3.395.671         | -2,9%        |
| Investment properties                        | 77.153            | 72.306            | 6,7%         |
| Goodwill                                     | 2.040.907         | 2.118.226         | -3,7%        |
| Other intangible assets                      | 1.143.862         | 1.181.350         | -3,2%        |
| Deferred tax assets                          | 388.120           | 415.072           | -6,5%        |
| Other non-current assets                     | 70.353            | 100.352           | -29,9%       |
| <b>Total non-current assets</b>              | <b>10.593.046</b> | <b>11.623.900</b> | <b>-8,9%</b> |
| <b>TOTAL ASSETS</b>                          | <b>13.352.382</b> | <b>14.309.477</b> | <b>-6,7%</b> |

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# Financial Position

2018

|  | September 2018    | December 2017     | % Var.       |
|--|-------------------|-------------------|--------------|
| <b>LIABILITIES</b>                                     |                   |                   |              |
| <b>Current liabilities</b>                             |                   |                   |              |
| Financial obligations                                  | 473.200           | 557.133           | -15,1%       |
| Trade and other payables                               | 925.802           | 993.241           | -6,8%        |
| Tax charges  | 269.618           | 207.776           | 29,8%        |
| Employee benefits liabilities                          | 210.356           | 172.730           | 21,8%        |
| Current provisions                                     | 3.869             | 9.820             | -60,6%       |
| Other current liabilities                              | 20.265            | 14.261            | 42,1%        |
| <b>Total current liabilities</b>                       | <b>1.903.110</b>  | <b>1.954.961</b>  | <b>-2,7%</b> |
| <b>Non-current liabilities</b>                         |                   |                   |              |
| Financial obligations                                  | 2.379.353         | 2.474.077         | -3,8%        |
| Trade and other payables                               | 158               | 158               | 0,0%         |
| Employee benefits liabilities                          | 214.774           | 226.574           | -5,2%        |
| Deferred tax liabilities                               | 700.085           | 702.967           | -0,4%        |
| Other non-current liabilities                          | 533               | 559               | -4,7%        |
| <b>Total non-current liabilities</b>                   | <b>3.294.903</b>  | <b>3.404.335</b>  | <b>-3,2%</b> |
| <b>TOTAL LIABILITIES</b>                               | <b>5.198.013</b>  | <b>5.359.296</b>  | <b>-3,0%</b> |
| <b>SHAREHOLDER EQUITY</b>                              |                   |                   |              |
| <b>Equity attributable to the controlling interest</b> | <b>8.112.245</b>  | <b>8.907.656</b>  | <b>-8,9%</b> |
| Non-controlling interest                               | 42.124            | 42.525            | -0,9%        |
| <b>TOTAL SHAREHOLDER EQUITY</b>                        | <b>8.154.369</b>  | <b>8.950.181</b>  | <b>-8,9%</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                    | <b>13.352.382</b> | <b>14.309.477</b> | <b>-6,7%</b> |

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# Disclaimer

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This document can contain forward looking statements related to Grupo Nutresa S.A. and its subordinated companies, under assumptions and estimations made by company management. For better illustration and decision making purposes Grupo Nutresa's figures are consolidated; for this reason they can differ from the ones presented to official entities. Grupo Nutresa S.A. does not assume any obligation to update or correct the information contained in this document.

*“The Issuers Recognition – IR granted by the Colombian Stock Exchange is not a certification about the quality of the securities listed at the BVC nor the solvency of the issuer”*

