

# Grupo Nutresa S. A.

Quarterly Report – Q2 2017



A FUTURE TOGETHER





According to *Monitor Empresarial de Reputación Corporativa – MERCOCO* – in its edition *MERCOCO Talent 2017*, for the second year in a row, **Grupo Nutresa is the second best company to attract and retain talent in Colombia and the most attractive in the food sector.**



*Bénet*, is Grupo Nutresa's new nutritional-expert brand in the form of a powdered-beverage that offers all the necessary nutrients for balanced, energized, and wholesome being.



The two new product launches under the **Tosh** brand, baked snacks and cold infusions, are made with wholesome, natural ingredients that are free of additives and artificial flavors. Perfectly healthy snacking alternatives that offer convenience and nutrition to our consumers.



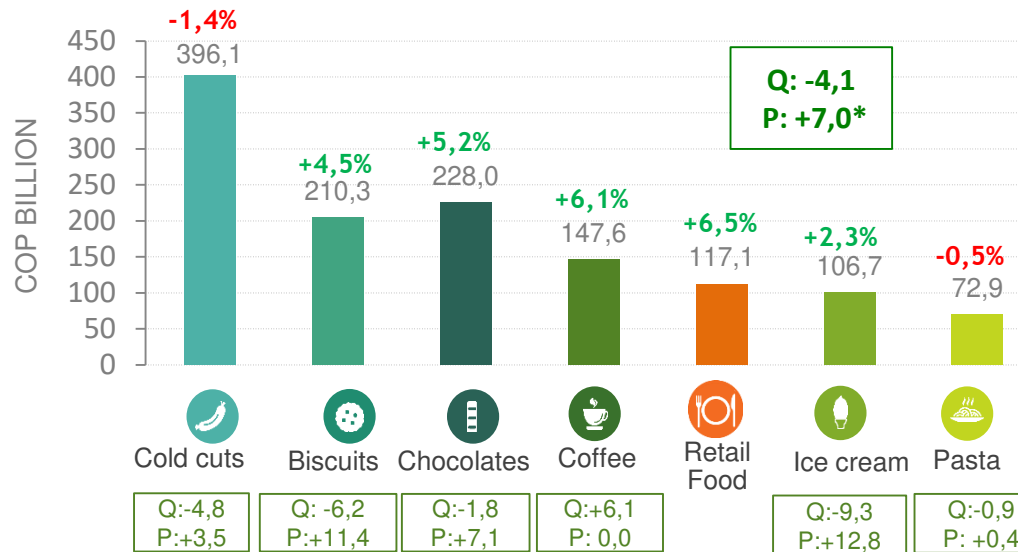
# 2Q17 Sales

## Colombia and international

### Colombia sales

COP 1.335,4 mm +2,9%

Cop billion



### SALES PER BUSINESS UNIT

## 2Q - 2017

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

\* Variation doesn't include Retail Food

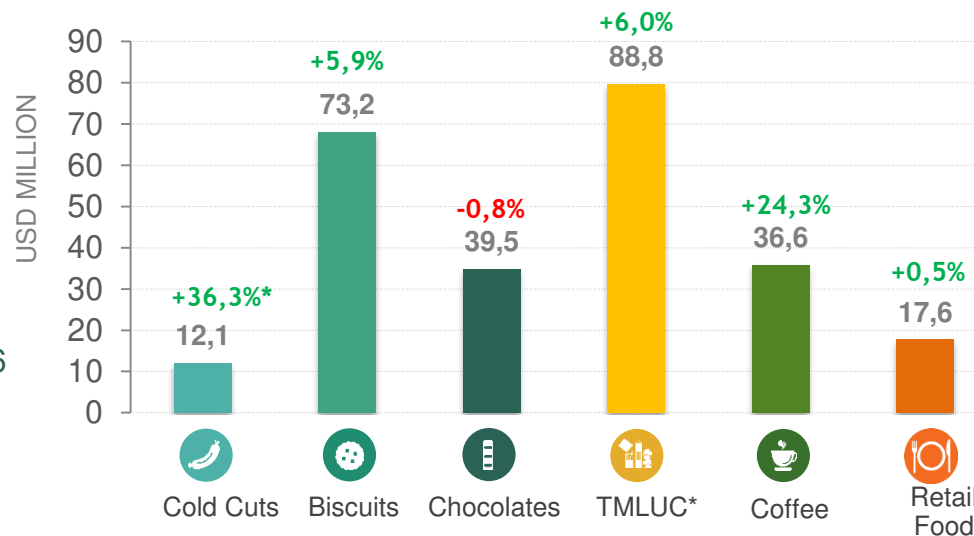
### International Sales

Ex-Venezuela 2Q 2016

USD 267,9 mm +7,4%

COP 781,8 +4,7%

Cop billion



% chg. YoY Million dollars

Including Venezuela 2Q 2016

USD -0,3%

COP -2,7%

(Since October 2016, investments in Venezuela are accounted as financial instruments)

# Total 2Q17 Sales

## SALES PER BUSINESS UNIT 2Q - 2017

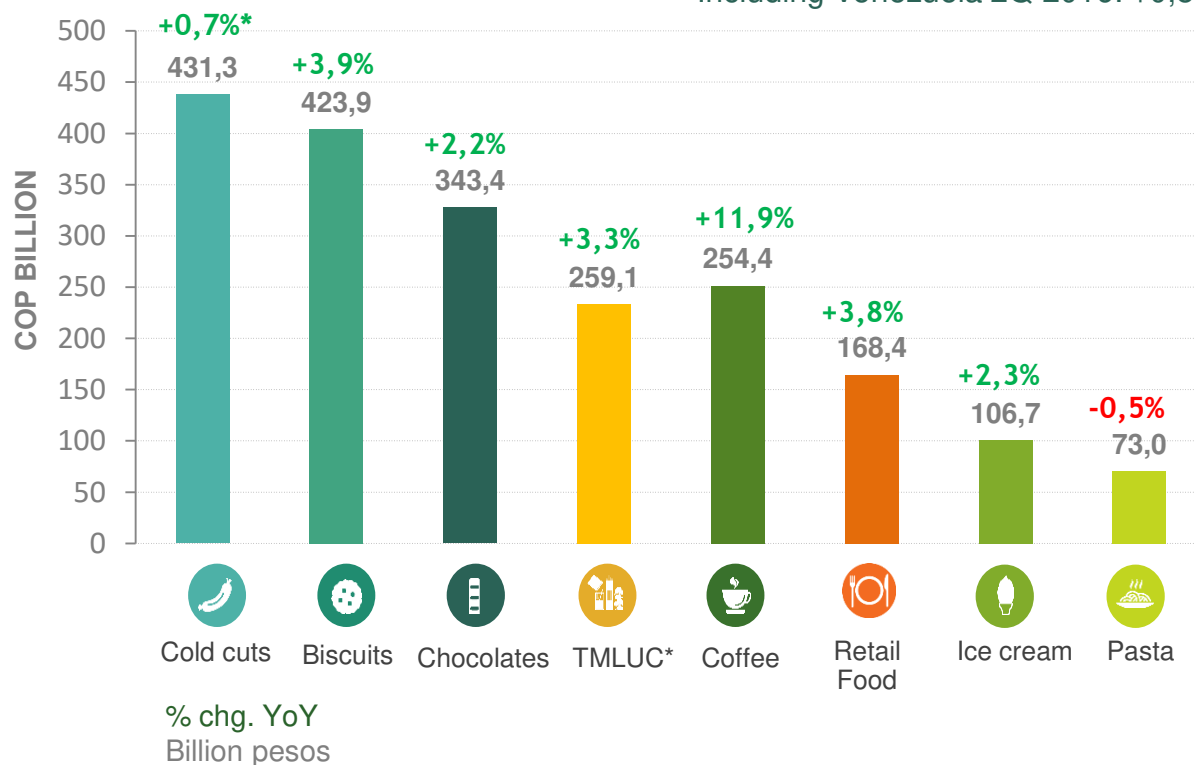
# TOTAL SALES

## Ex-Venezuela 2Q 2016

### COP 2.117,2 +3,6%

Billion pesos

Including Venezuela 2Q 2016: +0,8%



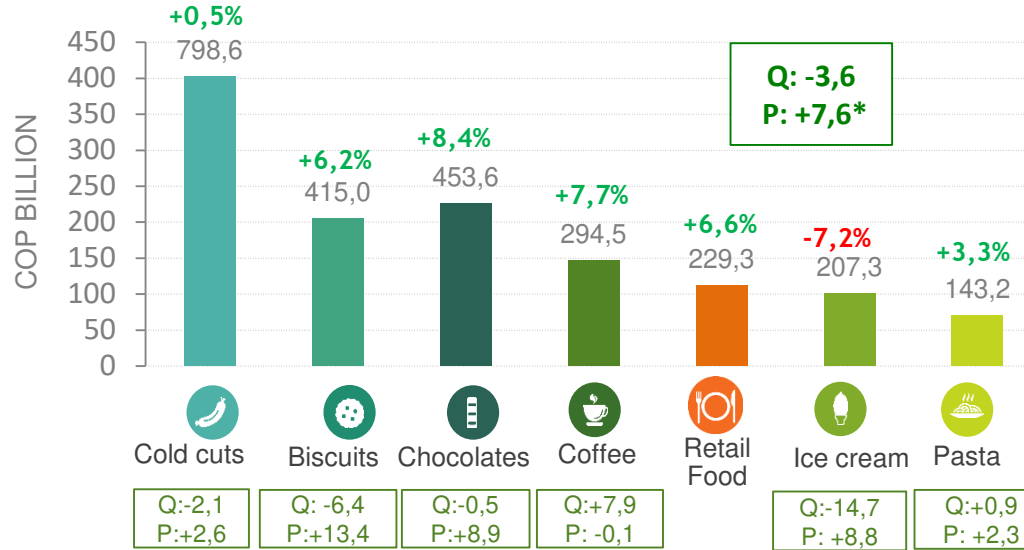
• Ex-Venezuela 2Q 2016

# 1H Sales

## Colombia and international

### Colombia sales

COP 2.650,1 mm +3,9%  
COP billion



### SALES PER BUSINESS UNIT

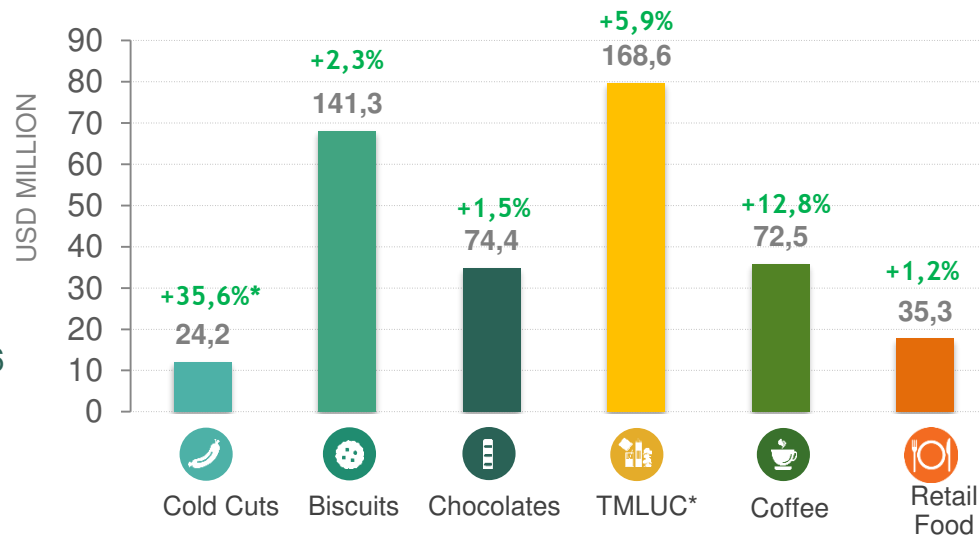
## 1H - 2017

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

\* Variation doesn't include Retail Food

### International Sales

Ex-Venezuela 1H 2016  
USD 516,6 mm +5,5%  
COP 1.509,0 -1,3%  
COP billion



% chg. YoY Million dollars

### Including Venezuela 1H 2016

USD -2,6%  
COP -8,8%

(Since October 2016, investments in Venezuela are accounted as financial instruments)

# Total 1H17 Sales

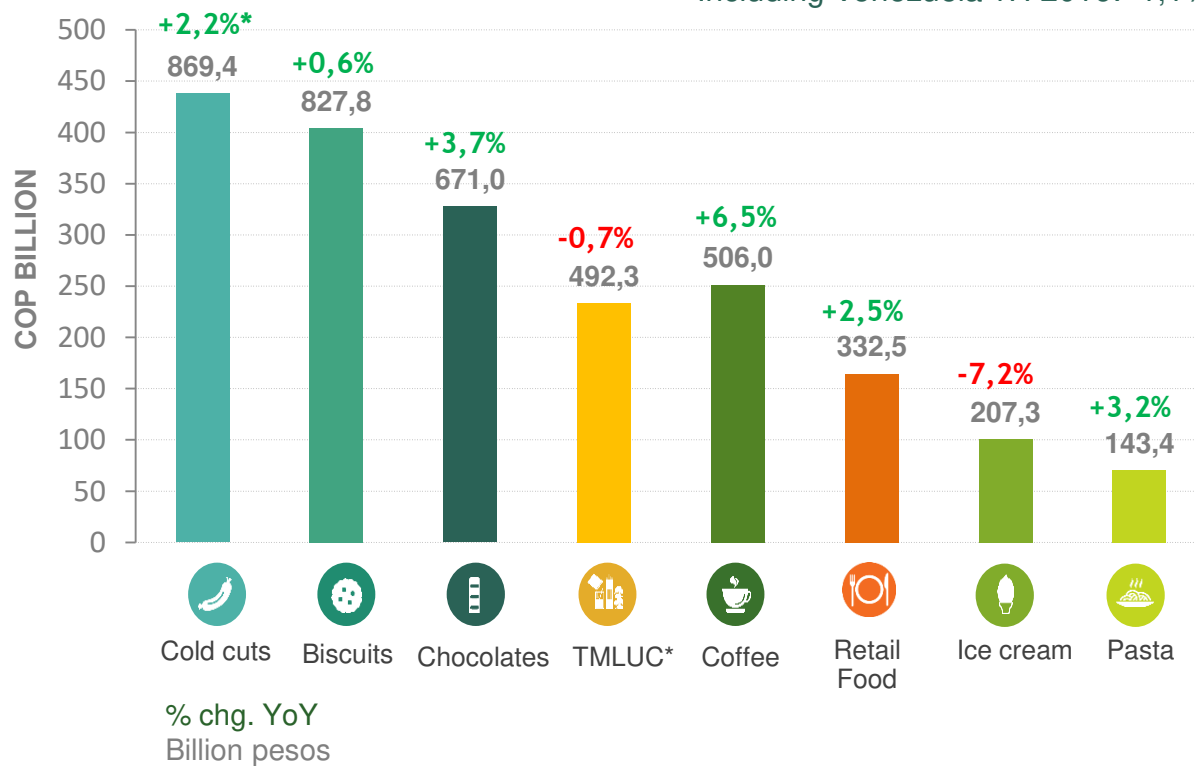
## SALES PER BUSINESS UNIT 1H - 2017

# TOTAL SALES

Ex-Venezuela 1Q 2016  
COP 4.159,1 +2,0%

Billion pesos

Including Venezuela 1H 2016: -1,1%



• Ex-Venezuela 1H 2016

# Sales by region 1Q17






















**63,7%**  
COLOMBIA

**36,3%**  
INTERNATIONAL



# Market share Colombia + TMLUC

Consolidated market share in Colombia: 60.1% -1.6%\*\*

Cold Cuts	Biscuits	Chocolates	Coffee	TMLUC	Ice Cream	Pasta	Retail Food
							
<b>72,6%</b> -1,6%	<b>53,9%</b> -2,4%	<b>Chocolate confectionery</b> <b>68,6% (A)</b> -0,1%  <b>Hot chocolate</b> <b>63,7% (B)</b> +1,1%  <b>Milk modifiers</b> <b>24,1% (C)</b> -0,6%  <b>Nuts</b> <b>55,5%</b> -0,6% (D)	<b>Roast and ground coffee (A)</b> <b>52,4%</b> -1,7%  <b>Soluble coffee (B)</b> <b>40,5%</b> -1,3% 	<b>ICB*</b> <b>63,8% (A)</b> +0,0% <b>Pastas</b> <b>27,5% (B)</b> +0,2% <b>Coffee</b> <b>17,9% (C)</b> +1,5% <b>Potato Chips</b> <b>15,0% (D)</b> +1,7% <b>México ICB*</b> <b>31,1% (E)</b> -0,7%	<b>ICE CREAM ND</b> 	<b>51,2%</b> -0,9%    <b># 1 in Ice cream shops – Rep. Dom. &amp; CR</b>  	<b># 1 in Hamburguers and Steakhouses categories in Colombia</b>
#2 Private labels 7,5%	#2 Nestlé 11,7% #3 Mondelez 10,5%	(A) #2 Ferrero 8,7% (B) #2 Casa Lúker 25,4% (C) #1 Nestlé 70,6% (D) Frito Lay 25,8%	(A) #2 Águila Roja 26,1% (B) #1 Nestlé 44,1%	(A) #2 Carozzi 34,2% (B) #1 Carozzi 41,7% (C) #1 Nestlé 69,4% (D) #1 Frito Lay 58,8% (E) #1 Mondelez 56,3%		#2 La Muñeca 31,5%	

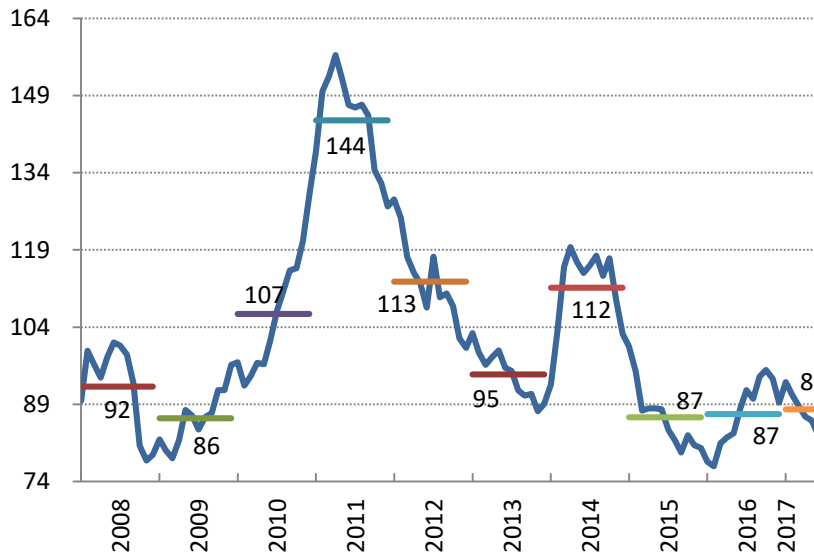
\*ICB= Instant Cold Beverages

Source: Nielsen twelve month as of May 2017.

\*\* Nielsen market share measurement methodology was updated, thus numbers for previous year can be different from those reported as of 2Q 2016

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

## GRUPO NUTRESA COMMODITIES INDEX

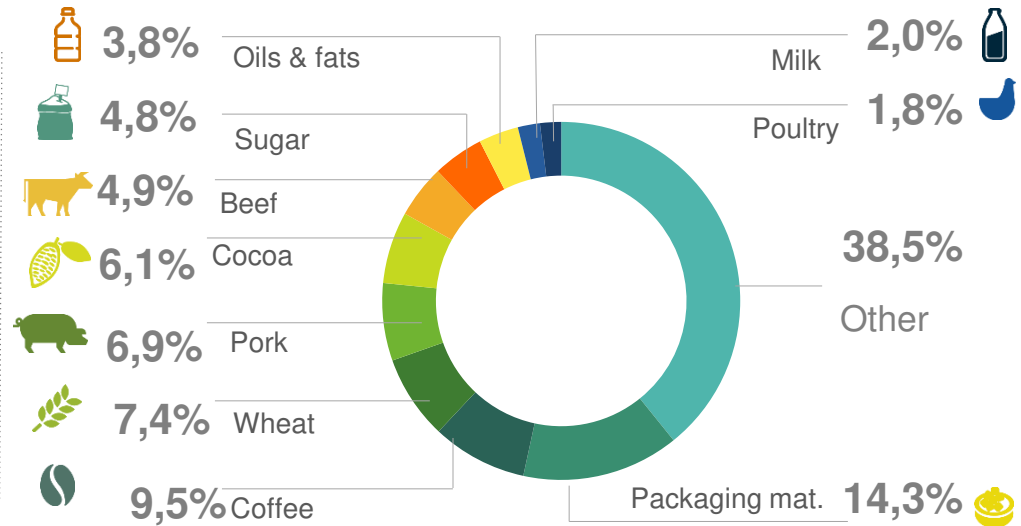


The basket of raw materials included in the GNCI was updated as of January 1st, 2017. The technical specifications of the GNCI may be obtained at:

<http://www.gruponutresa.com/inversionistas/resultados-y-publicaciones/resultados-trimestrales/?lang=en#2017-2>

## COGS BREAKDOWN

(1H17)



# EBITDA 2Q17

## EBITDA

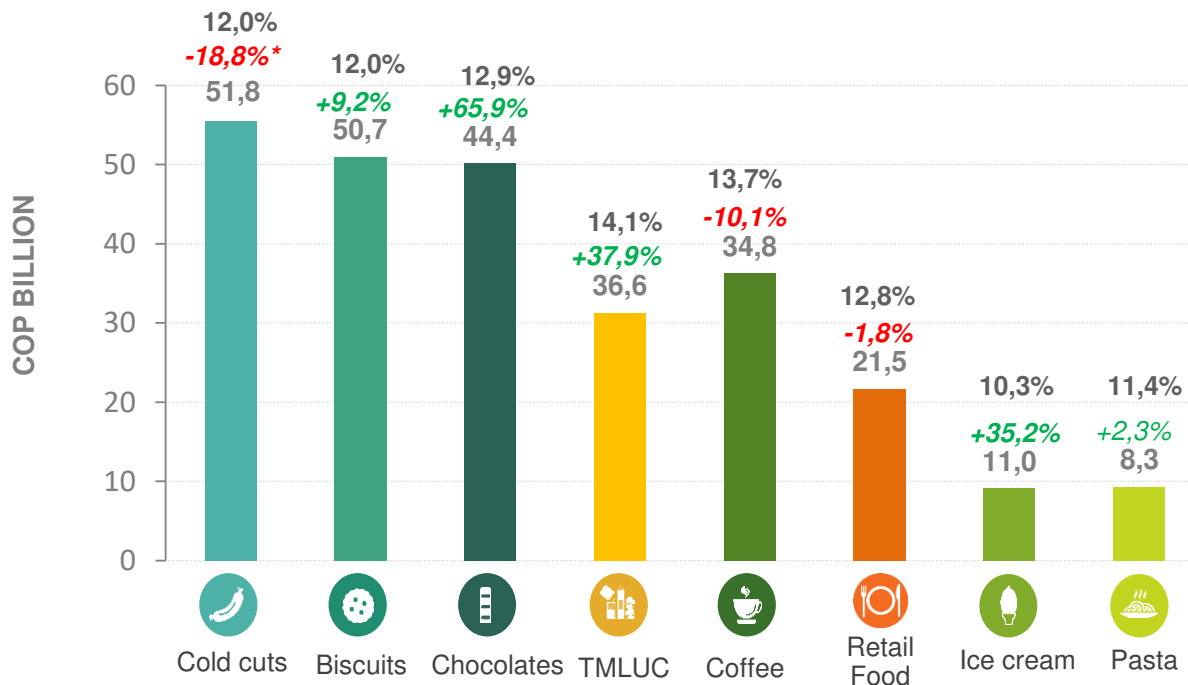
Ex-Venezuela 2Q 2016

COP 262,7 +8,4%

Billion pesos

**MARGIN 12,4%**

Including Venezuela 2Q  
2016: +3,7%



\* Ex-Venezuela 2Q 2016

### Convention:



# EBITDA

## 1H17

### EBITDA

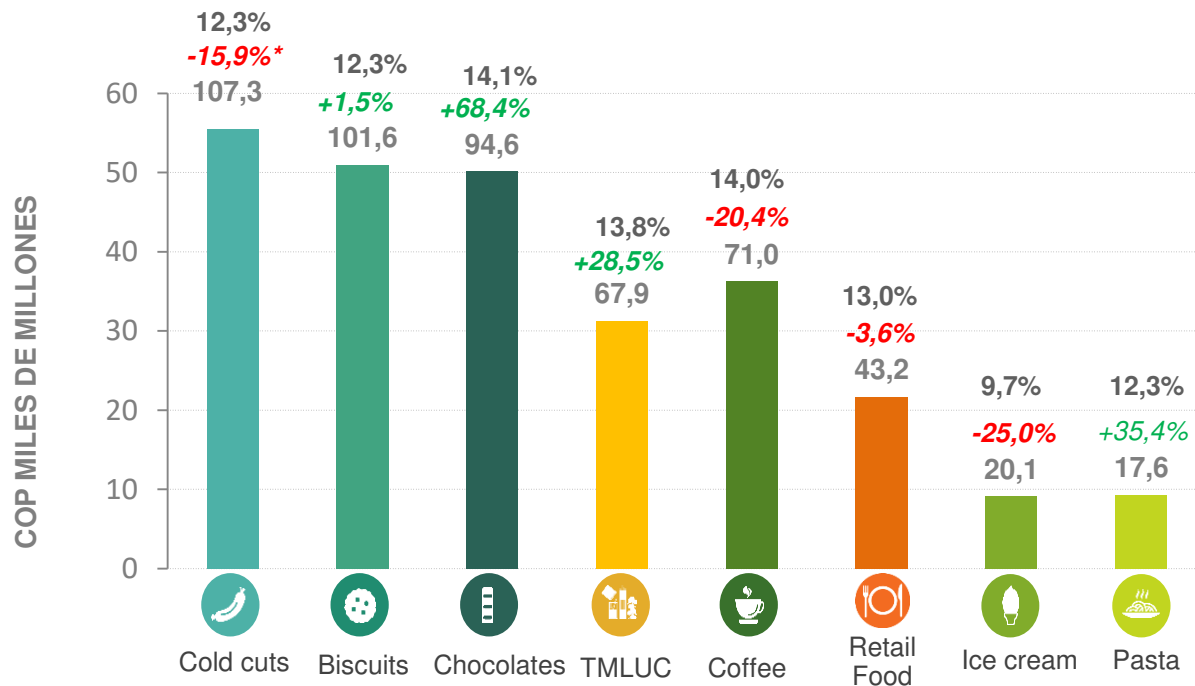
Ex-Venezuela 1H 2016

COP 527,2 +2,7%

Billion pesos

MARGIN 12,7%

Including Venezuela 1H  
2016: -1,3%



• Ex-Venezuela 1H 2016

### Convention:



# Comprehensive Income statement 2Q17

	2017 - 2Q	% Revenues	2016 - 2Q	% Revenues	% Var.
<b>Continuing operations</b>					
<b>Operating revenue</b>	<b>2.117.243</b>		<b>2.101.067</b>		<b>0,8%</b>
Cost of goods sold	(1.182.469)	-55,8%	(1.202.985)	-57,3%	-1,7%
<b>Gross profit</b>	<b>934.774</b>	<b>44,2%</b>	<b>898.082</b>	<b>42,7%</b>	<b>4,1%</b>
Administrative expenses	(95.340)	-4,5%	(96.978)	-4,6%	-1,7%
Sales expenses	(624.951)	-29,5%	(580.720)	-27,6%	7,6%
Production expenses	(33.440)	-1,6%	(34.612)	-1,6%	-3,4%
Exchange differences on operating assets and liabilities	(1.953)	-0,1%	11.938	0,6%	-116,4%
Other operating expenses, net	14.508	0,7%	7.387	0,4%	96,4%
<b>Operating profit</b>	<b>193.598</b>	<b>9,1%</b>	<b>205.097</b>	<b>9,8%</b>	<b>-5,6%</b>
Financial income	4.392	0,2%	2.482	0,1%	77,0%
Financial expenses	(85.584)	-4,0%	(82.107)	-3,9%	4,2%
Portfolio dividends	86	0,0%	41	0,0%	109,8%
Exchange differences on non-operating assets and liabilities	(1.691)	-0,1%	(2.615)	-0,1%	-35,3%
Loss on net monetary position	-	0,0%	(7.486)	-0,4%	-100,0%
Share of profit of associates and joint ventures	2.816	0,1%	619	0,0%	N/A
Other income (expenses), net	3.313	0,2%	-	0,0%	-
<b>Income before tax and non-controlling interest</b>	<b>116.930</b>	<b>5,5%</b>	<b>116.031</b>	<b>5,5%</b>	<b>0,8%</b>
Current income tax	(29.714)	-1,4%	(42.183)	-2,0%	-29,6%
Deferred income tax	10.599	0,5%	6.703	0,3%	58,1%
<b>Profit after taxes from continuous operations</b>	<b>97.815</b>	<b>4,6%</b>	<b>80.551</b>	<b>3,8%</b>	<b>21,4%</b>
Discontinued operations, after income tax	(142)	0,0%	(83)	0,0%	71,1%
<b>Net profit for the period</b>	<b>97.673</b>	<b>4,6%</b>	<b>80.468</b>	<b>3,8%</b>	<b>21,4%</b>
Non-controlling interest	1.144	0,1%	1.056	0,1%	8,3%
<b>Profit for the period attributable to controlling interest</b>	<b>96.529</b>	<b>4,6%</b>	<b>79.412</b>	<b>3,8%</b>	<b>21,6%</b>
<b>EBITDA</b>	<b>262.661</b>	<b>12,4%</b>	<b>253.208</b>	<b>12,1%</b>	<b>3,7%</b>

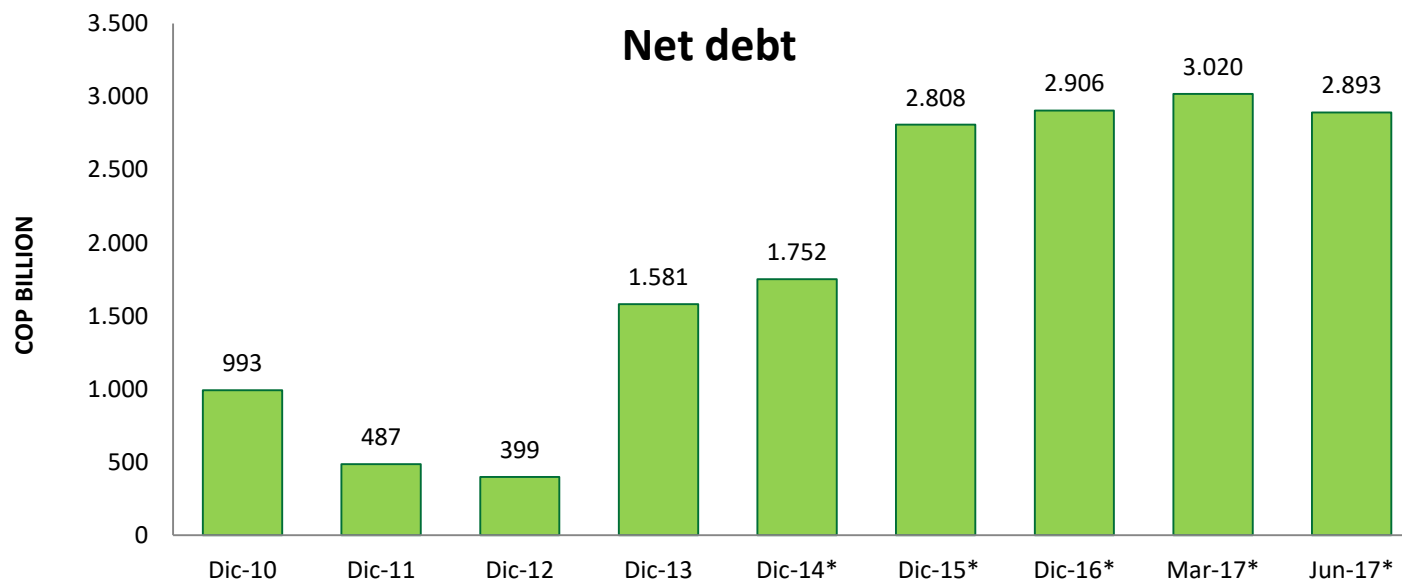
For further details please check the notes of the financial statements on the following link:  
<https://www.gruponutresa.com/en/inversionistas/resultados-y-publicaciones/resultados-trimestrales/#2017-2>

# Comprehensive Income statement 1H17

	June 2017	% Revenues	June 2016	% Revenues	% Var.
<b>Continuing operations</b>					
<b>Operating revenue</b>	<b>4.159.066</b>		<b>4.205.283</b>		<b>-1,1%</b>
Cost of goods sold	(2.333.030)	-56,1%	(2.399.295)	-57,1%	-2,8%
<b>Gross profit</b>	<b>1.826.036</b>	<b>43,9%</b>	<b>1.805.988</b>	<b>42,9%</b>	<b>1,1%</b>
Administrative expenses	(195.591)	-4,7%	(193.987)	-4,6%	0,8%
Sales expenses	(1.188.495)	-28,6%	(1.128.655)	-26,8%	5,3%
Production expenses	(66.382)	-1,6%	(69.304)	-1,6%	-4,2%
Exchange differences on operating assets and liabilities	223	0,0%	15.786	0,4%	-98,6%
Other operating expenses, net	21.592	0,5%	8.556	0,2%	152,4%
<b>Operating profit</b>	<b>397.383</b>	<b>9,6%</b>	<b>438.384</b>	<b>10,4%</b>	<b>-9,4%</b>
Financial income	6.844	0,2%	4.647	0,1%	47,3%
Financial expenses	(167.973)	-4,0%	(152.953)	-3,6%	9,8%
Portfolio dividends	54.321	1,3%	50.494	1,2%	7,6%
Exchange differences on non-operating assets and liabilities	(4.809)	-0,1%	(12.353)	-0,3%	-61,1%
Loss on net monetary position	-	0,0%	(18.527)	-0,4%	-100,0%
Share of profit of associates and joint ventures	1.216	0,0%	804	0,0%	51,2%
Other income (expenses), net	3.313	0,1%		N/A	-
<b>Income before tax and non-controlling interest</b>	<b>290.295</b>	<b>7,0%</b>	<b>310.496</b>	<b>7,4%</b>	<b>-6,5%</b>
Current income tax	(70.437)	-1,7%	(98.207)	-2,3%	-28,3%
Deferred income tax	18.677	0,4%	20.959	0,5%	-10,9%
<b>Profit after taxes from continuous operations</b>	<b>238.535</b>	<b>5,7%</b>	<b>233.248</b>	<b>5,5%</b>	<b>2,3%</b>
Discontinued operations, after income tax	(1.034)	0,0%	(247)	0,0%	N/A
<b>Net profit for the period</b>	<b>237.501</b>	<b>5,7%</b>	<b>233.001</b>	<b>5,5%</b>	<b>1,9%</b>
Non-controlling interest	1.822	0,0%	1.917	0,0%	-5,0%
<b>Profit for the period attributable to controlling interest</b>	<b>235.679</b>	<b>5,7%</b>	<b>231.084</b>	<b>5,5%</b>	<b>2,0%</b>
<b>EBITDA</b>	<b>527.210</b>	<b>12,7%</b>	<b>534.203</b>	<b>12,7%</b>	<b>-1,3%</b>

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# Consolidated net debt



	Dic-10	Dic-11	Dic-12	Dic-13	Dic-14*	Dic-15*	Dic-16*	Mar-17*	Jun-17*
Net debt	993	487	399	1.581	1.752	2.808	2.906	3.020	2.893
Net debt / EBITDA	1,85	0,86	0,59	1,90	2,10	2,88	2,82	2,98	2,83
EBITDA / Interest	8,60	8,85	12,74	10,38	5,83	4,70	3,52	3,34	3,54
Interest / Sales	1,40%	1,27%	0,99%	1,36%	2,21%	2,61%	3,37%	3,52%	3,35%

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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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# Statement of Financial Position 1H 2017

	June 2017	December 2016	% Var.
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	277.418	219.322	26,5%
Trade and other receivables	934.808	889.197	5,1%
Inventories	1.050.504	1.028.417	2,1%
Biological assets	85.304	75.677	12,7%
Other current assets	258.291	246.832	4,6%
Non-current assets held for sale	35.803	100.330	-64,3%
<b>Total current assets</b>	<b>2.642.128</b>	<b>2.559.775</b>	<b>3,2%</b>
<b>Non-current assets</b>			
Trade and other receivables	23.944	23.495	1,9%
Biological assets	8.563	7.433	15,2%
Investments in associated and joint ventures	175.634	164.510	6,8%
Other financial non-current assets	4.081.768	3.885.206	5,1%
Property, plant and equipment, net	3.377.048	3.383.513	-0,2%
Investment properties	71.751	71.842	-0,1%
Goodwill	2.059.277	2.034.454	1,2%
Other intangible assets	1.162.725	1.163.671	-0,1%
Deferred tax assets	374.942	356.994	5,0%
Other non-current assets	95.978	48.661	97,2%
<b>Total non-current assets</b>	<b>11.431.630</b>	<b>11.139.779</b>	<b>2,6%</b>
<b>TOTAL ASSETS</b>	<b>14.073.758</b>	<b>13.699.554</b>	<b>2,7%</b>

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# Statement of Financial Position 1H 2017

	June 2017	December 2016	% Var.
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial obligations	656.202	847.689	-22,6%
Trade and other payables	930.722	888.840	4,7%
Tax charges	200.054	163.362	22,5%
Employee benefits liabilities	151.445	161.592	-6,3%
Current provisions	1.139	2.734	-58,3%
Other current liabilities	43.019	49.746	-13,5%
<b>Total current liabilities</b>	<b>1.982.581</b>	<b>2.113.963</b>	<b>-6,2%</b>
<b>Non-current liabilities</b>			
Financial obligations	2.514.525	2.277.429	10,4%
Trade and other payables	158	158	0,0%
Employee benefits liabilities	229.319	216.744	5,8%
Deferred tax liabilities	701.487	705.700	-0,6%
Other non-current liabilities	657	600	9,5%
<b>Total non-current liabilities</b>	<b>3.446.146</b>	<b>3.200.631</b>	<b>7,7%</b>
<b>TOTAL LIABILITIES</b>	<b>5.428.727</b>	<b>5.314.594</b>	<b>2,1%</b>
<b>SHAREHOLDER EQUITY</b>			
<b>Equity attributable to the controlling interest</b>	<b>8.606.275</b>	<b>8.346.719</b>	<b>3,1%</b>
Non-controlling interest	38.756	38.241	1,3%
<b>TOTAL SHAREHOLDER EQUITY</b>	<b>8.645.031</b>	<b>8.384.960</b>	<b>3,1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>14.073.758</b>	<b>13.699.554</b>	<b>2,7%</b>

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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.



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