



Monterrey, Nuevo Leon, April 20th, 2021. Sigma is a leading multinational food company that produces, markets, and distributes quality branded foods, including packaged meats, cheese, yogurt and other refrigerated and frozen foods. Sigma has a diversified portfolio of leading brands and operates 70 plants and 210 distribution centers in 18 countries across its four key regions: Mexico, Europe, the United States, and Latin America.

Sigma presents its results for the first quarter of 2021 (1Q21) compared to the same period of 2020. All figures are presented in U.S. Dollars (US \$) unless otherwise stated.

QUARTERLY HIGHLIGHTS

- Consolidated volume decreased 5% YoY versus high comparable, including pantry loading effect in 1Q20
- Highest 1Q EBITDA margin since 2016; YoY margin expansion in Mexico, Europe, and Latam
- Steeper Foodservice recovery in March 2021 due to increased mobility; +21% in Revenues YoY, for the same month
- Positive results in Growth initiatives, tapping into the entrepreneurial network and driving sustained growth in E-commerce, as well as its Snacking and Plant-Based business units
- Lower Net Debt YoY supported by cash-maximizing initiatives and operating performance
- Paid US \$50 million dividend during 1Q21

SELECTED FINANCIAL INFORMATION (US \$ MILLIONS)

	1Q21	4Q20	1Q20	(% 1Q21 vs.)	
				4Q20	1Q20
Volume (ktons)	419	418	441	-	(5)
Mexico	201	204	216	(1)	(7)
Europe	113	117	121	(3)	(7)
United States	81	73	79	11	3
Latam	24	25	25	(5)	(7)
Revenues	1,613	1,662	1,637	(3)	(1)
Mexico	637	644	679	(1)	(6)
Europe	576	634	572	(9)	1
United States	289	269	268	8	8
Latam	110	116	118	(4)	(6)
EBITDA	181	178	169	2	7
Mexico	93	89	90	4	3
Europe	38	43	25	(11)	51
United States	38	33	42	13	(11)
Latam	12	12	11	(2)	13
CAPEX & Acquisitions¹	34	38	23	(11)	48
Net Debt	1,781	1,756	2,037	1	(13)
Net Debt / LTM EBITDA*	2.6	2.6	2.9		
LTM Interest Coverage ^{2*}	5.8	5.5	5.9		

* Times. LTM = Last 12 months

1 Gross amount; does not include divestments

2 Interest Coverage = EBITDA/Net Financial Expenses

INCOME STATEMENT (US \$ MILLIONS)

	1Q21	4Q20	1Q20	(%) 1Q21 vs.	
				4Q20	1Q20
Total Revenues	1,613	1,662	1,637	(3)	(1)
Gross Profit	472	469	451	1	5
Operating expenses and others	(345)	(383)	(337)	10	(2)
Operating income (loss)	127	86	114	47	11
Financial cost, net	(30)	(86)	(2)	65	-
Share of losses of associates	0	0	0	-	100
Income Tax	(15)	(28)	29	47	(151)
Consolidated net income (loss)	81	(28)	141	394	(42)
<i>EBITDA</i>	181	178	169	2	7
<i>EBITDA/Revenues (%)</i>	11.2	10.7	10.3		

Revenues were US \$1.613 billion, down 1% year over year as the Company was comparing against a higher-than-usual 1Q20 volume level due to a high pre-pandemic base in January and February, in addition to a pantry loading effect during March 2020.

On a positive note, increased mobility resulted in a steeper foodservice channel recovery trend in March 2021 with revenue increasing 40% month-to-month and 21% year on year. Excluding Foodservice results, revenues during 1Q21 were 2% higher year-on-year and flat when adjusting for exchange rate fluctuations, given a strong euro appreciation when compared to 2020 (see table 2).

First quarter revenues are in line with Sigma's guidance, which considers a gradual recovery for 2021.

EBITDA during the quarter reached US \$181 million, a 7% improvement year-on-year mainly driven by strong results in Europe (+51%), Mexico (+3%), and Latam (+13%). Sigma's EBITDA margin increased to 11.2%, 94 basis points more versus 1Q20, reaching its highest first quarter margin since 2016 driven by a lower raw material cost, revenue management efforts and cost-savings initiatives. In local currency, and excluding Foodservice results, EBITDA also grew 7% year-on-year (see table 3).

Operating Income was US \$127 million, increasing 11% from US \$114 million in 1Q20 reflecting the increase in EBITDA explained above (see table 3).

Comprehensive Financing Expense (CFE) of US \$30 million, up from US \$2 million in 1Q20. The change is mainly explained by a US \$32 million gain in 1Q20, amid the depreciation of the Mexican peso, compared to a US \$1 million exchange rate loss in 1Q21 (see table 4).

Net Income was US \$81 million in 1Q21 versus US \$141 million in 1Q20, mainly due to a higher CFE and higher income tax year-on-year. 1Q20 income tax includes a larger gain in deferred taxes associated mainly with the depreciation of the Mexican peso, versus 1Q21.

CHANGE IN NET DEBT (US \$ MILLIONS)

	1Q21	4Q20	1Q20	(% 1Q21 vs.)	
				4Q20	1Q20
EBITDA	181	178	169	2	7
Net Working Capital	(52)	152	(107)	(134)	51
Capital expenditures & Acquisitions	(34)	(38)	(23)	11	(48)
Net Financial Expenses	(29)	(25)	(33)	(16)	12
Taxes	(41)	(26)	(94)	(58)	56
Dividends	(50)	0	0	(100)	(100)
Other Sources / Uses	0	(66)	46	100	(100)
Decrease (Increase) in Net Debt	(25)	174	(43)	(114)	42

Net Debt was US \$1.781 billion, 13% below 1Q20 and 1% above 4Q20. On an absolute basis, Net Debt decreased US \$256 million versus the first quarter of 2020 due a solid operating performance and cash-maximizing initiatives.

Cash totaled US \$749 million at the end of the first quarter, increasing US \$31 million year-on-year and decreased US \$71 million when compared to year end 2020. Financial ratios at the end of the quarter were: Net Debt to EBITDA of 2.6 times and Interest Coverage of 5.8 times (see table 5).

Net Working Capital was US \$53 million during 1Q21, reflecting primarily the seasonal investment in inventories.

Capital expenditures (CAPEX) totaled US \$34 million during 1Q21, a 47% increase year-on-year, following the 2020 cash-preservation initiatives amid the pandemic implemented at that time. Close to 75% of CAPEX was used for maintenance, while the rest was invested in expansion and optimization projects.

Dividends paid during the first quarter of 2021 were US \$50 million.

INDUSTRY COMMENTS - SIGMA

Consumer confidence and food retail sales

During 1Q21, Sigma displayed strong operational results despite external challenges. As the vaccination roll-out continues, economic growth and consumer confidence have improved.

In Mexico, the average consumer confidence reported by INEGI¹ increased sequentially, but remains below confidence levels observed in 1Q20. Same-store-sales reported by ANTAD² also improved from a decrease of 8.2% in January to an increase of 1.5% YoY during February, amid lower restrictions.

The consumer confidence index³ in the U.S., decreased 24% year-on-year in 1Q21. Meanwhile, food retail sales reported by the U.S. Census Bureau decreased 2.3% when compared to 1Q20.

In Europe, the average consumer confidence index reported by the European Commission increased from negative 15.6 during the 4Q20 to negative 13.7 in 1Q21. Food retail sales measured by Eurostat also show signs of improvement reaching the highest level since April 2020.

Exchange Rate

The average exchange rate for the Mexican peso versus the U.S. dollar depreciated 2% year-on-year in 1Q21. In contrast, the average euro-dollar exchange rate appreciated 9% year-on-year. Sigma's currency mix versus the U.S. dollar in Latam had a net appreciation of 4% year-on-year in 1Q21.

Raw Materials

During 1Q21, pork ham prices in the U.S. increased 3% on a sequential basis and 11% year-on-year, while pork prices in Europe remain below 2020 levels with shoulder, ham and lean hog prices 21%, 21% and 27% below 1Q20, respectively. It is important to note that pork prices posted an upward trend in both regions during the quarter due to higher demand and a long production cycle which limits supply increases.

Higher demand as well as disruptions in supply caused by the polar vortex in February increased pressure on poultry prices. Turkey thigh and other poultry meat prices have increased between 8% and 11% sequentially and posted an upward trend during the first quarter.

¹ Instituto Nacional de Estadística y Geografía – National Institute for Statistics and Geography

² Asociación Nacional de Tiendas de Autoservicio y Departamentales - National Association of Supermarkets and Department Stores

³ Source: The Conference Board

RESULTS BY REGION - SIGMA

During 1Q21, revenues in Mexico accounted for 40% of the total, while Europe represented 37%, the U.S. 17%, and Latam 7%.

Mexico: 1Q21 revenues, in local currency, decreased 3% year-on-year. The change is explained by a pre-pandemic comparable base in addition to a pantry loading effect in March of 2020, as well as lower volume in the Foodservice and Convenience channels during this quarter. Meanwhile, EBITDA, in local currency, increased 6%, benefiting from revenue management efforts and cost-saving initiatives. Excluding Foodservice results, Revenues and EBITDA increased 2% and 6% versus 1Q20, respectively.

Europe: During the quarter, revenues in euros decreased 7% when compared to 1Q20, mainly due to a higher comparable base resulting from stronger-than-normal demand amid pantry loading in March 2020. In contrast, 1Q21 EBITDA increased a noteworthy 40% year on year, mainly due to lower raw material costs. This represents a margin improvement of 221 basis points versus 1Q20. In U.S. dollars, revenues and EBITDA increased 1% and 51% YoY, respectively.

United States: Revenues were up 8% in 1Q21 when compared to the same period of 2020, driven by both price and volume growth. During the first quarter, EBITDA in the region was US \$38 million, down 11% year over year mainly as a result of one-off events such as disruptions caused by the polar vortex in February, and a technology substitution project at one of our production facilities.

Latam: Revenues in local currencies were down 3% year-on-year due to a high comparable base in 1Q20. In contrast, EBITDA increased 18% driven by continued cost and expense reduction initiatives that drove margin expansion of 190+ basis points. Excluding Foodservice results, Revenues and EBITDA increased 2% and 30% YoY, respectively.

RECENT DEVELOPMENTS - SIGMA

Europe Turnaround	<ul style="list-style-type: none"> • Comprehensive plan to reach double-digit EBITDA Margin by 2025 • Dedicated taskforces focused on: <ul style="list-style-type: none"> - Portfolio Optimization - Ongoing operational efficiencies - Pursuing high-growth opportunities
Growth	<p>Sigma established the role of Chief Growth Officer to lead efforts on new sources of revenue, including:</p> <ul style="list-style-type: none"> – Snacking and Plant-Based units – High Potential Opportunities: Initiatives aiming to increase market share in underdeveloped categories where Sigma participates – New Business Models: Leveraging existing capabilities through an agile approach to identify, pilot, and scale business opportunities <ul style="list-style-type: none"> • Limited partnership investment in Blue Horizon Ventures, a food technology venture capital fund focused on Plant-based proteins and cellular agriculture • Invested in a minority stake in The Live Green Co., a Latam startup and first-generation participant of “Tastech by Sigma”, that combines plant nutrition with biotech and machine learning to develop plant-based foods and clean-label products • Grillhouse, a premium service app focused on consumers who love the grill, expanded its coverage from Monterrey into Mexico City and Guadalajara
Tastech by Sigma	<ul style="list-style-type: none"> • Strong presence from Tastech by Sigma in the food startup ecosystem • Second generation call-out open until April 26, 2021. So far, 250+ startups and scaleups from 23 countries have applied, exceeding the 123 applications and 19 countries from the first generation
Innovation	<ul style="list-style-type: none"> • 120+ new products launched during 1Q21 • New products represented 10% of 1Q21 Revenues
Sustainability	<ul style="list-style-type: none"> • Signed a Power Purchase Agreement to ensure clean energy in 100% of the Company’s facilities in Peru • Sigma joined the CDP Supply Chain member program to evaluate global suppliers on climate change and deforestation. • Participation in the Responsible Sourcing Assessment Program from BSD Elevate to evaluate the sustainability criteria from raw material suppliers in Mexico and Latam • 400+ employees recognized as change agents in our Women’s Day initiatives. • Visit Sigma’s sustainability web page for more information

Liquidity Management	<ul style="list-style-type: none">• Strong cash position of US \$749 million (+4% vs. 1Q20); approximately 80% is held in hard currency (e.g. US dollars and euros)• +US \$780 million in available committed credit lines• Next long-term maturity in 2024; no liability management is considered in the short term
Financial Hedges	<ul style="list-style-type: none">• As of March 2021, Sigma's currency forward hedges amounted to US \$635 million with an average exchange rate of \$21.30 MXN/USD, enough to cover its remaining 2021 U.S. dollar needs
Credit Ratings	<ul style="list-style-type: none">• Fitch Ratings affirmed Sigma's Issuer Default Ratings (IDR), its senior unsecured notes at 'BBB', and its National scale rating at 'AAA(mex)' with stable outlooks.

(See "Financial Statements" for Sigma's 1Q21 Balance Sheet and Income Statement)

SIGMA

Table 1 | SIGMA - VOLUME AND PRICE CHANGES (%)

	1Q21 vs.	
	4Q20	1Q20
Total Volume	0.0	(5.2)
Avg. Ps. Prices	(4.3)	6.3
Avg. US \$ Prices	(3.0)	3.9

Table 2 | SIGMA - REVENUES

	1Q21	4Q20	1Q20	(% 1Q21 vs.)	
				4Q20	1Q20
Total Revenues					
P.s. Millions	32,811	34,271	32,569	(4)	1
US \$ Millions	1,613	1,662	1,637	(3)	(1)
Domestic Revenues					
P.s. Millions	12,948	13,261	13,394	(2)	(3)
US \$ Millions	637	644	678	(1)	(6)
Foreign Revenues					
P.s. Millions	19,862	21,010	19,175	(5)	4
US \$ Millions	976	1,019	960	(4)	2
Foreign / Total (%)	61	61	59		

Table 3 | SIGMA - OPERATING INCOME AND EBITDA

	1Q21	4Q20	1Q20	(% 1Q21 vs.)	
				4Q20	1Q20
Operating Income					
P.s. Millions	2,578	1,807	2,282	43	13
US \$ Millions	127	86	114	47	11
EBITDA					
P.s. Millions	3,689	3,675	3,375	-	9
US \$ Millions	181	178	169	2	7

Table 4 | SIGMA - COMPREHENSIVE FINANCING INCOME / EXPENSE (US \$ Millions)

	1Q21	4Q20	1Q20	(% 1Q21 vs.)	
				4Q20	1Q20
Financial Expenses	(31)	(28)	(36)	(11)	13
Financial Income	3	3	2	(3)	16
Net Financial Expenses	(29)	(25)	(33)	(12)	15
Exchange Rate Gains (Losses)	(1)	(60)	32	98	(105)
Capitalized Comp. Fin. Expense	0	0	0	-	-
Comprehensive Financing Expense	(30)	(86)	(2)	65	-
Avg. Cost of Borrowed Funds (%)	4.4	4.4	4.5		

Table 5 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (US \$ Millions)

	1Q21	4Q20	1Q20	(% 1Q21 vs.)	
				4Q20	1Q20
Assets					
Cash and cash equivalents	746	817	715	(9)	4
Trade accounts receivable	210	192	258	9	(19)
Inventories	782	764	879	2	(11)
Other current assets	217	218	212	0	2
Total current assets	1,956	1,992	2,064	(2)	(5)
Investment in associates and others	7	7	5	2	29
Property, plant and equipment, net	1,613	1,672	1,560	(4)	3
Goodwill and intangible assets, net	1,543	1,595	1,479	(3)	4
Other non-current assets	244	243	280	1	(13)
Total assets	5,363	5,508	5,388	(3)	-
Liabilities & stockholders' equity					
Debt	57	67	356	(15)	(84)
Suppliers	1,023	1,020	1,107	0	(8)
Other current liabilities	367	416	313	(12)	17
Total current liabilities	1,448	1,503	1,775	(4)	(18)
Debt (include debt issuance cost)	2,461	2,495	2,385	(1)	3
Employees' benefits	87	91	73	(4)	19
Other long-term liabilities	222	250	206	(12)	8
Total liabilities	4,217	4,339	4,439	(3)	(5)
Total stockholders' equity	1,146	1,168	949	(2)	21
Total liabilities & stockholders' equity	5,363	5,508	5,388	(3)	-
Net Debt	1,781	1,756	2,037	1	(13)
Net Debt/EBITDA*	2.56	2.57	2.89		
Interest Coverage*	5.8	5.5	5.9		

* Times. LTM=Last 12 months

Sigma Alimentos, S.A. de C.V. and Subsidiaries

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

(% Mar 21 vs.

Assets	Mar 21	Dec 20	Mar 20	Dec 20	Mar 20
CURRENT ASSETS:					
Cash and cash equivalents	15,380	16,301	16,801	(6)	(8)
Restricted cash	25	24	14	3	75
Customers, net	4,335	3,833	6,071	13	(29)
Income tax recoverable	900	741	490	21	84
Inventories	16,119	15,248	20,664	6	(22)
Other current assets	3,547	3,585	4,487	(1)	(21)
Total current assets	40,306	39,732	48,527	1	(17)
Property, plant and equipment, net	33,233	33,346	36,681	-	(9)
Intangible assets, net	17,143	17,179	18,961	-	(10)
Goodwill	14,641	14,638	15,802	-	(7)
Deferred income tax	4,119	4,125	4,173	-	(1)
Investments in associates and joint ventures	139	132	123	5	13
Other non-current assets	917	719	2,417	27	(62)
Total non-current assets	70,193	70,140	78,157	-	(10)
Total assets	110,499	109,872	126,684	1	(13)
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current debt	458	649	7,640	(29)	(94)
Notes payables	720	558	728	29	(1)
Suppliers	21,080	20,352	26,020	4	(19)
Income tax payable	594	461	506	29	17
Provisions	126	182	121	(31)	4
Other current liabilities	6,812	7,748	6,722	(12)	1
Total current liabilities	29,789	29,949	41,738	(1)	(29)
NON-CURRENT LIABILITIES:					
Non-current debt	48,632	47,746	53,848	2	(10)
Notes payables	2,067	2,030	2,227	2	(7)
Deferred income taxes	3,865	3,934	4,375	(2)	(12)
Employees benefits	1,793	1,807	1,717	(1)	4
Provisions	87	90	94	(4)	(8)
Income tax payable	616	974	370	(37)	66
Other non-current liabilities	35	37	4	(4)	823
Total non-current liabilities	57,095	56,618	62,634	1	(9)
Total liabilities	86,885	86,567	104,372	-	(17)
STOCKHOLDERS' EQUITY:					
Total controlling interest:	23,614	23,304	22,312	1	6
Total non-controlling interest:	0	0	0	-	-
Total stockholders' equity	23,614	23,304	22,312	1	6
Total liabilities and stockholders' equity	110,499	109,871	126,684	1	(13)

Sigma Alimentos, S.A. de C.V. and Subsidiaries

INCOME STATEMENT

Information in millions of Nominal Mexican Pesos

	1Q21	4Q20	1Q20	1Q21 vs. (%)	
				4Q20	1Q20
Revenue	32,811	34,271	32,569	(4)	1
Cost of sales	(23,219)	(24,603)	(23,596)	(6)	(2)
Gross profit	9,591	9,668	8,974	(1)	7
Selling expenses	(5,319)	(5,325)	(5,259)	-	1
Administrative expenses	(1,656)	(1,739)	(1,473)	(5)	12
Other income (expenses), net	(39)	(797)	40	(95)	(196)
Operating profit	2,578	1,807	2,282	43	13
Comprehensive financial expenses, net	(610)	(1,774)	35	(66)	-
Equity in income (loss) of associates	0	0	0	-	-
Profit before income tax	1,968	32	2,317	-	(15)
Provisions for:					
Income tax	(309)	(598)	677	(48)	(146)
Net consolidated profit	1,659	(566)	2,994	(393)	(45)
Non-controlling interest	0	0	0	-	-
Controlling interest	1,659	(566)	2,994	(393)	(45)



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