



# ANNUAL REPORT



# INDEX



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Bachoco owns and manages  
**more than a thousand farms,**

**9 processing  
plants**

**9 further  
process  
plants**

**25 feed mills | 24 hatcheries**

**and more than 100 distribution centers**

At the date of this report The Company  
**employs more than 40,000 people.**

# BACHOCO'S PROFILE

**Industrias Bachoco is leader in  
the Mexican poultry industry**

**and one of the ten largest  
poultry producers globally.**

Bachoco is a vertically-integrated company with operations in Mexico and the US with its headquarters located in Celaya, Guanajuato, Mexico. Its main business lines are: chicken, table eggs, balanced feed, pork, and further process products of beef and turkey.

Currently the Company is rated "AAA (MEX)", the highest rating awarded by Fitch Mexico, and "HR AAA" which signals that the Company and their bonds both have the highest credit quality by HR Ratings de Mexico S.A. de C.V.

# HIGHLIGHTS

## Operating Data

In millions pesos	December 31,				
	In U.S. Dollars <sup>1</sup>	2024	2024	2023	2022
<b>Net sales</b>	\$ 4,757.8	\$ 99,343.1	93,990.9	98,890.7	
Gross profit	979.4	20,450.6	15,042.4	16,857.9	
Operating income	524.6	10,953.9	6,918.8	8,385.9	
<b>EBITDA Result</b>	619.5	12,934.4	9,103.0	10,198.6	
<b>Net income</b>	\$ 452.5	9,449.0	4,494.5	6,047.8	
Gross margin	20.6%	20.6%	16.0%	17.0%	
Operating margin	11.0%	11.0%	7.4%	8.5%	
EBITDA margin	13.0%	13.0%	9.7%	10.3%	
Net margin	9.5%	9.5%	4.8%	6.1%	

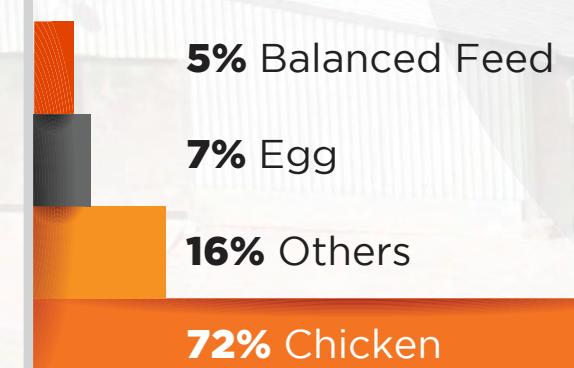
<sup>1</sup> One dollar equals to \$20.88 pesos

## Statement of Financial Data

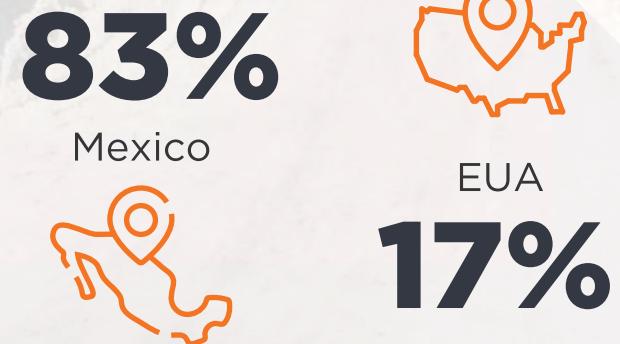
In millions pesos	December 31,				
	In U.S. Dollars <sup>1</sup>	2024	2024	2023	2022
<b>Total Assets</b>	\$ 3,773.6	78,792.4	79,988.3	72,568.8	
Cash and cash equivalents	490.1	10,233.7	17,672.7	20,080.9	
Inventories	443.7	9,264.8	9,895.6	8,214.1	
<b>Total Liabilities</b>	\$ 1,421.7	29,685.7	24,842.4	19,667.5	
Notes payable to banks	408.7	8,534.1	2,502.4	1,181.5	
Accounts payable	617.3	12,890.0	10,751.7	8,886.8	
Long-term debt	33.9	706.8	3,725.3	3,010.5	
<b>Total Stockholders' Equity</b>	\$ 2,351.9	49,106.7	55,145.9	52,901.3	
Capital stock	56.2	1,174.4	1,174.4	1,174.4	
Retained earnings	2,929.0	61,157.9	52,812.3	48,934.6	

<sup>1</sup> One dollar equals to \$20.88 pesos

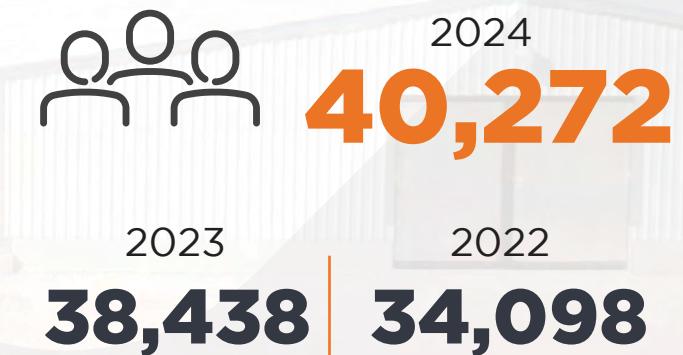
## Net Sales



## Sales by Geography



## Employees





**Javier Bours Castelo**  
**Chairman of the Board of Director**

# MESSAGE TO **SHAREHOLDERS**

## **Dear Shareholders of Industrias Bachoco:**

2024 was a challenging year for Mexico, characterized by a complex economic environment. Moderate growth and exchange rate volatility throughout the year pressured some of our operating expenses. However, favorable inflation control was observed, after the high levels recorded in previous years, because of the pandemic and international geopolitical conflicts.

Despite this uncertain outlook, both nationally and globally, the Company managed to adapt with agility, which allowed us to maintain the strategic direction and achieve results that were not only positive, but extraordinary in the recent history of the organization.

In the first quarter of 2024, the Company reported the approval by the National Banking and Securities Commission of the cancellation of the registration in the National Securities Registry of the shares representing the capital stock of Industrias Bachoco, S.A.B. de C.V.; as well as the delisting of the shares of "Industrias Bachoco S.A.B de C.V." from the Mexican Stock Exchange, losing its status as a public limited company and maintaining its status as a variable capital corporation.

During the year, our commercial strategies, along with the successful consolidation of the integration of NORSON and the efficiencies achieved in various production processes, contributed to a substantial improvement in our results, as well as a reduction in raw material costs. As a result, total net sales increased by 5.7% compared to 2023, while cost of sales decreased slightly by 0.1%. This allowed us to achieve an EBITDA margin of 13.0%, representing an increase of 34.4% compared to the previous year.



It's worth noting that our financial structure remained solid, we closed 2024 with a net cash of \$2,451.4 million. We will continue to promote our expansion plans, maintaining our strategic vision, facing the challenges and volatility inherent to our sector.

Our commitment and contribution to society is also one of the company's fundamental pillars, which has resulted in different and important recognitions obtained in 2024. Just to mention some of them, we entered for the first time the list of trusted brands Reader's Digest Selections, in addition, **this year we positioned ourselves among the 5 best breeding companies in the United States**, thanks to the efforts of our entire team.

In the communication and marketing arena, we launched our first multi-protein campaign, which was recognized by Merca 2.0 as one of the best of the year. As for our international presence, we participated in Foodex Japan 2024, the world's largest food exhibition, where we strengthened our trade relations and increased our pork protein exports, mainly to the Japanese market.

At Bachoco, we reduced our environmental impact through renewable energy, the circular economy, and animal welfare standards. We installed panels in 300 centers; we operated under animal health regulations and animal health legislation. These actions reflect our commitment to a responsible, efficient livestock operation aligned with the highest sustainability standards.

Additionally, **the Company was awarded at the "Envase Estelar" event by the Mexican Packaging Association (Asociación Mexicana de Envase y Embalaje A.C.) with our innovative Eco-Trays packaging in the Food category**. This reflects our commitment to sustainability and innovation, reaffirming our mission to offer high-quality products with environmental responsibility.

We also promoted initiatives aimed at the well-being and development of the communities around us, fostering active participation and joint work with our stakeholders. A clear example of this is the "Unidos por la Alimentación" program, which represents our firm commitment to food security and social support for vulnerable populations.

On the other hand, **this year we integrated all subsidiaries under the name "Grupo Bachoco," this as part of our goal of becoming the most important multi-protein company in Mexico and with relevance worldwide**.

Regarding the Bachoco family, 2024 also brought changes to the Steering Committee, with the addition of Luis Pablo Calvo Rios, taking on the role of Quality Director. I have full confidence that, thanks to his experience, trajectory and commitment, he will add important value to our organization.

In conclusion, I would like to reiterate the commitment we make to each and every one of you. Our goal is to consolidate ourselves as a multi-protein leader, both in Mexico and internationally, growing with vision, generating value and maintaining the financial strength that drives us into the future.

**Javier Bours Castelo**  
Chairman of the Board of Director



**Ernesto Salmon Castelo**  
**Chief Executive Officer**

# CEO'S LETTER

## **Dear Shareholders:**

All figures discussed below are information of 2024 with comparative figures of 2023. It was prepared under IFRS accounting principles and is presented in millions of pesos unless otherwise indicated.

2024 was certainly a challenging year for the Mexican economy, characterized by moderate economic growth, controlled inflation compared to previous years, exchange rate volatility and financial uncertainty, which were constant.

In Mexico, where more than 80% of our net sales are generated, we are facing a scenario of economic slowdown, according to INEGI, GDP grew by 1.8% during 2024, significantly below the 3.2% recorded in 2023. Inflation reported 4.21%, slightly below the 4.66% of 2023 and 7.82% of 2022, being the lowest level since 2020. On the other hand, the peso depreciated by 23% at the end of 2024 against the U.S. dollar.

Regarding the United States, according to information from the Federal Reserve, the economy had a contraction, registering 2.5% vs 3.2% in 2023, and with the inflation rate very similar, registering 2.5% vs 2.8% in 2023.

On the other hand, according to estimates by the Unión Nacional de Avicultores de México (UNA), chicken production is expected to have been similar to 2023, with only 0.02% growth; while egg production has had a sustained growth of 2.4%.

Regarding the poultry industry in the United States of America, according to the United States Department of Agriculture (USDA), a growth of 1.3% vs a contraction of 0.4% in 2023 is estimated.

Regarding raw materials, during 2024 there were sustained reductions in prices in dollars. In the case of corn, it closed 2024 with 21.6% below 2023, and 12.3% talking about soybeans. It should be noted that a reduction in terms of pesos was also observed despite the depreciation of the peso against the dollar.

Despite the challenging environment, we not only resisted but achieved an outstanding result in 2024. Thanks to the efforts of our entire team, we were able to increase our commitment to excellence and the end consumer.

## 2024 & 2023 Results

Our net sales in 2024 totaled \$99,343.1 million, \$5,352.3 million more or an increase of 5.7%, compared to the \$93,990.9 million reported in 2023. Sales from our operation in United States represented 17.5% of total revenues, maintaining their behavior compared to the previous year where they represented 17.5%.

Cost of sales totaled \$78,892.5 million, 0.1% below the \$78,948.5 million reported in 2023. In this sense, the cost of sales strategy was maintained, attributable to better efficiencies throughout the chain, especially in the pig line.

**Our priority on efficiency allowed us to achieve a gross profit of \$20,450.6 million, with a gross margin of 20.6%; above the \$15,042.4 million gross profit and margin of 16.0% reported in 2023.**

Total SG&A expenses in 2024 were \$10,532.3 million, an increase of 15.8% compared to \$9,098.6 million in 2023. Total expenses as a percentage of net sales accounted for 10.6% and 9.7% respectively. This increase was mainly driven by those concepts affected by the high exchange rate volatility, such as fuel, energy, among others.

In 2024 we had other revenues of \$1,035.6 million, compared to other revenues of \$975.1 million reported in 2023.

Consequently, our operating income in 2024 was \$10,953.9 million, with a margin of 11.0%. This represents an increase of 58.3% compared to the \$6,918.8 million and margin of 7.4% reported in 2023.

In 2024 we achieved an EBITDA of \$12,934.4 million, a margin of 13.0%, which is 34.3% higher than the EBITDA of \$9,103.0 million obtained in 2023, with a margin of 9.7%.

Also, in 2024 we reported net financial income of \$2,305.7 million, compared to the net financial expense of \$1,237.6 million obtained in 2023.

The total taxes were \$3,810.6 million. This includes \$4,160.5 million in income tax and \$349.9 million in deferred taxes. This compares to a total tax of \$1,186.8 million, which includes income taxes of \$2,639.7 and \$1,452.9 million in deferred taxes in 2023.

As a result, the profit for the year attributable to the controlling interest in net income in 2024 was \$9,421.0 million, with a net margin of 9.5%.

Cash and cash equivalents as of December 31, 2024 amounted to \$11,692.1 million vs. \$17,672.5 million that we had on December 31, 2023.

Total debt as of December 31, 2024 was \$9,240.9 million, compared to debt of \$6,227.7 million reported as of December 31, 2023. As a result, our net cash as of December 31, 2024 totaled \$2,451.4 million, compared to net cash of \$11,445.0 million as of December 31, 2023.





Regarding capital investments, during 2024 \$4,730.6 million were invested in total, 18.7% below the \$5,819.5 million reported in 2023. We maintain the conviction that sustainable growth requires investment, innovation and productivity in our facilities and part of these investments have been directed to our operations in the USA, which has allowed us to improve their results.

**I want to emphasize that these results are not a coincidence. Some of the key factors behind this success have been our strategic vision, the commitment of our employees, the ability to adapt to the economic environment of both countries and a continuous improvement of our processes.** Likewise, strengthening the relationship and preference of our customers and strategic allies, consolidated our position in the market.

Finally, this achievement is a cause for celebration, yes, but above all it drives us to continue consolidating our financial results and achieving the Company's objectives, because we know the challenges that lie ahead will continue to offer challenging scenarios.

**Ernesto Salmon Castelo**

Chief Executive Officer



# BACHOCO GROUP

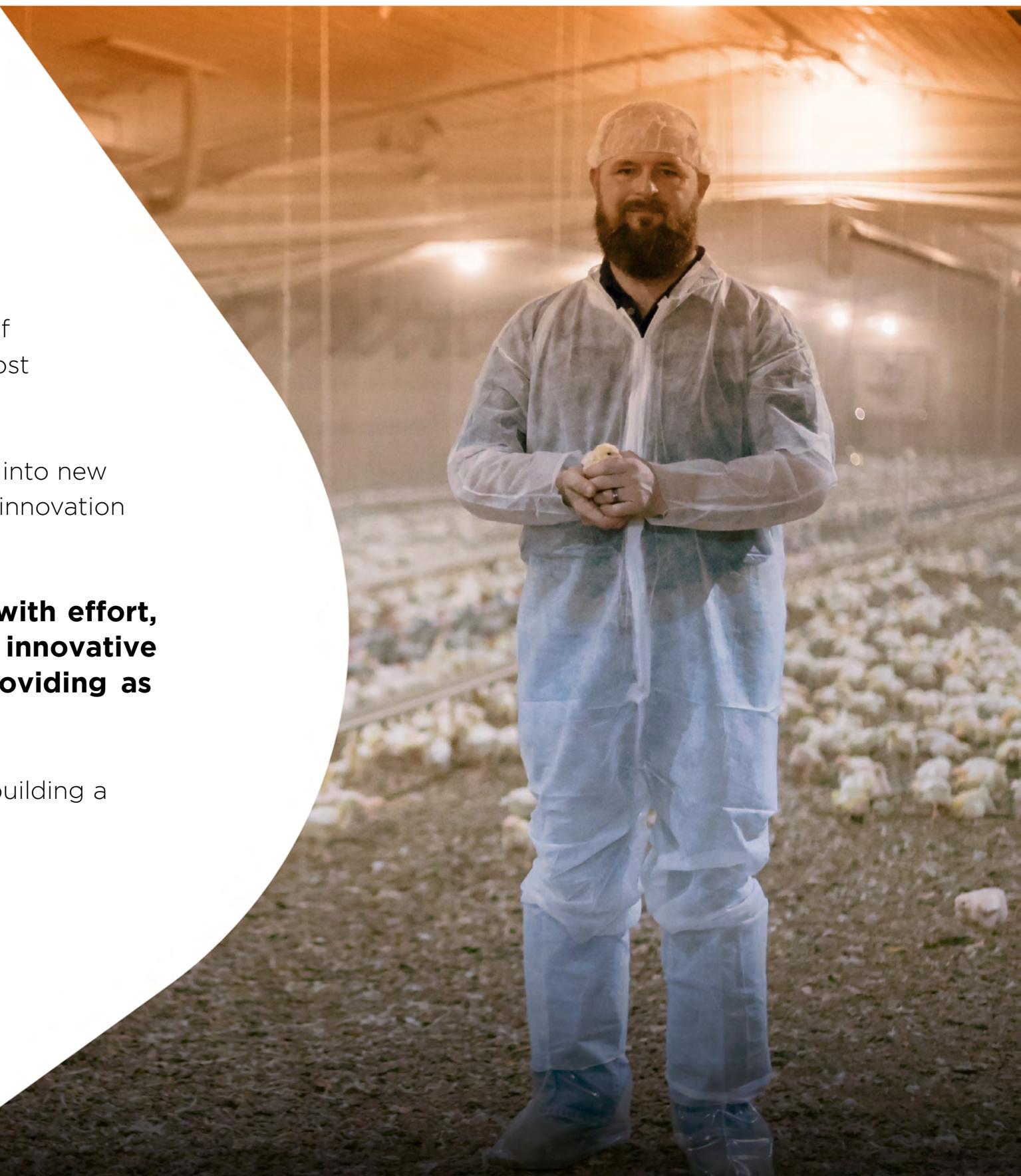
With the integration of Grupo Bachoco, we not only unify a new image of our brands, but also the consolidation of a strategic focus to be the most important multi-protein company in Mexico and with global relevance.

The strategic relevance of our diversification not only implies expanding into new products, markets or services, but also adopting a mindset of constant innovation that allows us to respond with agility to the challenges of the future.

**Our goal is big and challenging, but we are convinced that with effort, dedication and strategic vision we can achieve it, through innovative solutions, bold strategies, continuous improvement, and providing as always, the best quality and nutrition.**

The future is built today, and what we do today will define and add to building a better tomorrow.

***“Grupo Bachoco, committed to building the future”***



# SOCIAL RESPONSIBILITY

## Sustainability 2024

We are a global company committed to delivering high-quality food through innovation and sustainability. We have a sustainability strategy that is based on four fundamental pillars: **Planet, People, Society and Good Corporate Governance.**

Through our business and sustainability strategies, we seek a common goal: to generate shared value with our stakeholders and contribute to the fulfillment of our corporate go.

### We strengthen our Business

We drive continuous innovation in our products and the development of new solutions to strengthen and diversify our portfolio. Although chicken remains our main line of business, we also promote other proteins with a focus on quality and innovation.

**We have expanded our global presence in the food industry, with key operations in Mexico and the United States.**



*We export to  
31 countries*

## We empower our People

Our team is made up of **40,272 employees** who represent the talent, strength and diversity that drives our company. We foster a healthy and inclusive work environment, where the well-being, development and integration of each member is prioritized.

We offer a variety of courses, workshops and activities to strengthen the competencies and skills of our employees, supporting their personal and professional growth. In 2024, we delivered a total of **324,717 hours of training**, reflecting our commitment to constantly developing our team and building a culture of continuous learning.

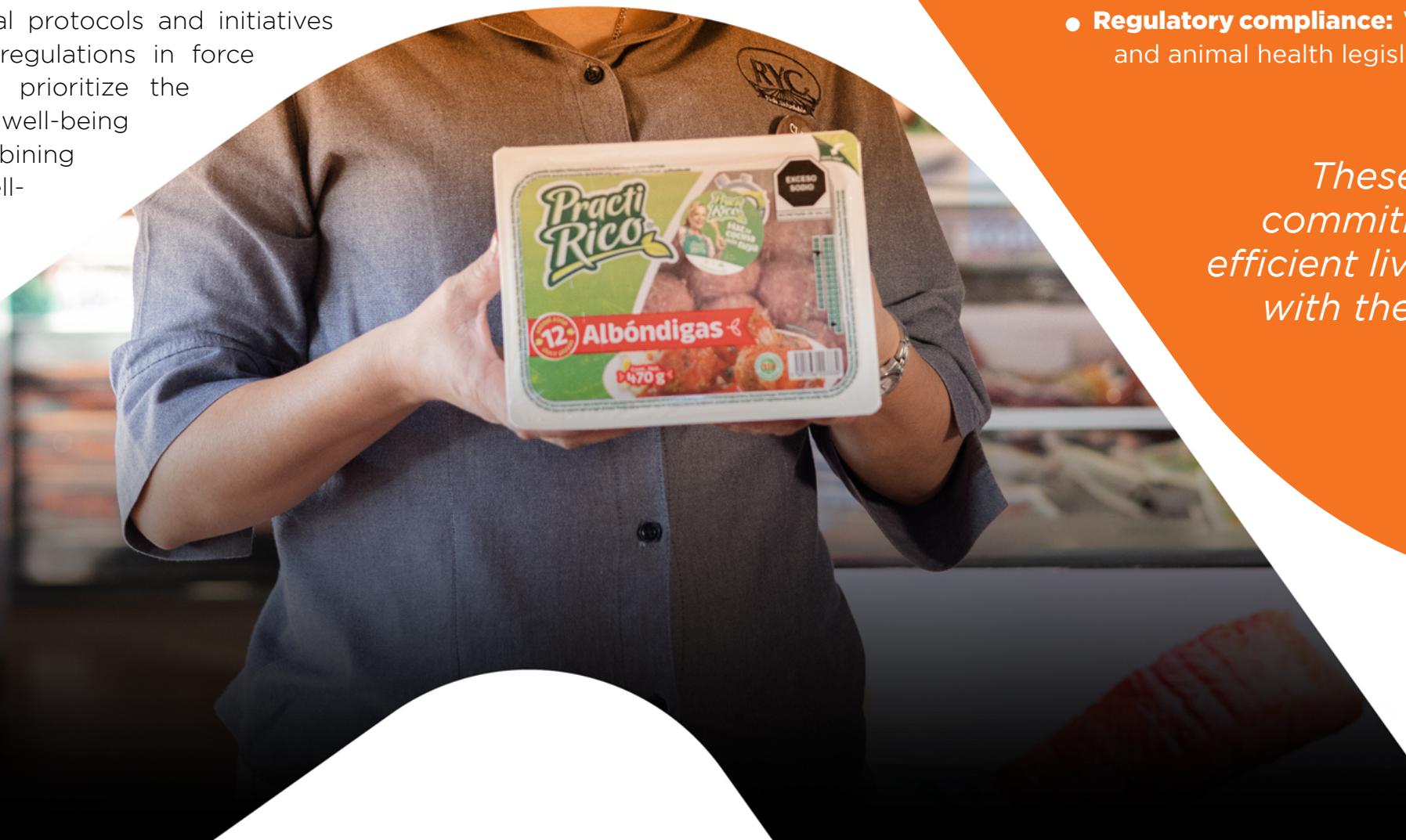
We **guarantee safe and healthy work environments**, complying with internal protocols and initiatives and adhering to the regulations in force in each location. We prioritize the physical and emotional well-being of our employees, combining training, safety and well-being.

## We Take Care of Our Planet

At Bachoco we reduce our environmental impact through renewable energy, circular economy and strict animal welfare standards.

- **Solar energy:** We installed panels in 300 centers, generating 4,234 MWh and avoiding 1,854 tons of CO<sub>2</sub>e.
- **Circular economy:** We optimize packaging, reuse pallets and use recycled materials.
- **Animal welfare:** We apply the five freedoms, with trained personnel and constant monitoring on farms.
- **Regulatory compliance:** We operate under animal health regulations and animal health legislation.

*These actions reflect our commitment to a responsible, efficient livestock operation aligned with the highest sustainability standards.*



## We contribute to our community

We execute programs focused on promoting the well-being and development of our neighboring communities, encouraging collaboration with our stakeholders.

The “**Unidos por la Alimentación**” initiative reflects our commitment to social welfare and food security in communities in need.

**We carry out the MMB Social Cause Race.** Thanks to this initiative and our collaboration with municipal authorities and the DIF, we were able to channel significant resources to support various institutions.

In the 2024 edition of the **Medio Maratón Bachoco**, we invite our collaborators, customers and stakeholders to join our cause, donating 1 kilo of chicken per participant. In addition, in collaboration with “**Celaya Ponte Bonita**”, we **classified and recycled plastics during the event**, allocating the PET collected to the manufacture of sustainable packaging, thus reinforcing our environmental commitment.

Through our Institutional Donations Plan, we provide financial or in-kind support to institutions and entities to continue their community work.

In 2024, we allocated **\$2.3 million pesos** to projects in collaboration with DIF in Celaya, Puebla and Mérida.

*More than 50 thousand people benefited from the extraordinary donations of food.*



*5.9 tons of chicken donated to improve the nutrition of families in vulnerable situations.*

*We benefited 18,606 people with in-kind donations, strengthening our social commitment.*

## Governance

Our corporate governance structure guides strategic decision-making and supports our approach to sustainable development. **The Board of Directors leads the strategy and oversees management to ensure responsible growth.** For its part, the Sustainability Committee promotes practices aligned with environmental, social and governance criteria in all our operations.

We reaffirm our commitment to ethics and transparency through a **Code of Ethics and Conduct** that guides the responsible actions of our employees. We also implement a Conflict of Interest Policy to manage risk and protect the integrity of our business.

*100% of new employees receive training on the Code of Ethics and Conduct.*

**This is how Bachoco works every day to continue generating value for all its stakeholders**





## INDEPENDENT AUDITORS

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For more information visit our website, where you can find our Annual Report and Sustainability Report 2024.

<https://en.grupobachoco.com/investors/>