



## Transcript of Grupo Bafar's quarterly conference 1Q26

**Ana, Moderator:** Good morning everyone. My name is Ana and I will be the one to coordinate this call. I warmly welcome you to Grupo Bafar's quarterly conference for the first quarter of 2026.

I want to inform you that all participants are muted to avoid any background interference. After the speaker's presentations, we will have a Q&A session and at that time we will provide you with instructions to participate. I am pleased to inform you that on Monday, April 27, Grupo Bafar published its results.

If any of you have not received the report, I encourage you to contact the investor relations team, who will be happy to send you the information. I want to emphasize that this call is intended exclusively for investors and analysts, so no press questions will be taken and the call should not be reported in the media. It is important to note that any forward-looking statements made during this quarterly call are based on information available at this time.

We suggest you review the statement in the quarterly report for more details on this issue. At this time, we have the presence of Luis Eduardo Ramírez, Director of Finance and Administration, and Luis Carlos Piñón, Corporate Controller of Grupo Bafar, who will share the company's results. Without further ado, I give the floor to Luis Eduardo.

**Luis Eduardo Ramírez, Director of Finance and Administration:** Go ahead. Thank you very much, Ana. Good morning to everyone and thank you for joining us.

It is a pleasure to be able to share with you the achievements and results that Grupo Bafar has achieved in the first quarter of the year. We started this first quarter with solid results and strategic advances that reinforce our commitment and our positioning in the market. We operate in a challenging environment, but with clear room to continue growing and strengthening our position in the market.

During the first quarter, we directed our efforts to make our operations more efficient, consolidate our position in the market and continue with constant growth. At the same time, we are advancing in the digitization of key processes to increase productivity and have greater control of the operation, as well as provide a better experience to all our customers. These efforts were positively reflected in the performance of our various businesses during this quarter.



Our food segment closed with an 8 percent increase in sales. Fibra Nova achieved a growth of 2.5 percent, while the financial division registered an advance of 12 percent. Implementing the loyalty application for retail customers, which we call Gana Más Lana, driven by digital tools and thus also strengthening our bond and knowledge of our customers.

In addition, we launched the Digital Innovation Hub with new capabilities to develop artificial intelligence solutions in an agile and collaborative way. During the quarter, we made a strategic alliance with Ciemsa Food Service, improving our leadership in the premium segment and enhancing the logistics portfolio and capabilities. At the same time, we are advancing in the development of the new distribution center in La Paz, which will allow us to improve efficiency, expand coverage and continue to boost our growth nationwide.

In the Bafar Alimentos sector, in the first quarter of 2026, it managed to register sales of \$7,916 million, a growth of 8 percent compared to the first quarter of 2025. This is derived from our accelerated expansion strategy in our retail channel, mainly in the Carnemart format, and our expansion strategy in the United States, which generated an increase in sales volume of 8 percent. EBITDA stood at \$1,021 million, with a growth of 12.5 percent and a margin on sales of 13 percent, thus evidencing the strength of our operations and the efficiency of our value chain.

As for investments, this first quarter \$1,245 million pesos were allocated in CAPEX, these focused, as I mentioned, on the expansion of the retail channel and logistics projects, as well as what I was telling you a moment ago, the distribution center in La Paz.

Fibra Nova. In the real estate division, Fibra Nova started the year with a portfolio made up of 125 properties and a total of 722,168 square meters of ABR, in addition to 2,118 hectares in our agro-industrial portfolio. We generated revenues of \$397 million pesos, a growth of 2.5 percent, driven by the incorporation of new leases. EBITDA is \$412 million, with a margin of 104 percent on revenues, demonstrating solid operating efficiency and the quality of its long-term contracts and tenants. We also made investments that amounted to \$643 million pesos.

These were mainly destined to the development of the Juárez I, Juárez II and Bafar Norte industrial parks in Chihuahua Capital. Juárez I Park is already at 100% occupancy, while Juárez II Park has 37 hectares under development, which will have complete infrastructure and comprehensive services, including electricity supply. Meanwhile, Parque Norte continues to advance according to the established pipeline, reinforcing our presence in the region.



We also maintain a Loan-To-Value leverage of 30%, which is below the industry average, reflecting our solid and balanced capital structure.

In our financial division, this quarter we maintained a trend aligned with a stable portfolio and revenue operation. With delinquency levels below the industry average, in the first quarter of 2026 our placement stood at \$1,342 million pesos, driven mainly by the placement of business loans. As a result, annual revenues grew by 12.1% compared to the first quarter of 2025. The NPL ratio remained at 2.7%, well below the industry average, reflecting the strength of our portfolio and the effectiveness of our evaluation, placement and monitoring processes. In addition, B Cash continues to expand its presence, due to the fact that at the beginning of the year 600 active cards were registered in our strategic regions, strengthening our goal of financial inclusion and digitalization.

For Grupo Bafar, the first quarter of the year began with historic revenues of \$8,665 million, a growth of 12% compared to the first quarter of 2025. Driven by store expansion, a greater share of the self-consumption market, both in Mexico and the United States. The financial division recorded growth higher than its respective markets. And on the other hand, our operating income reached \$1,369 million, with an increase of 31.5% and an operating margin of 16%. While EBITDA presented an outstanding performance, reaching \$1,676 million, with a margin on sales of 19%. Finally, net income closed with \$935 million, registering a growth of 21.5% and a net margin on sales of 11%. In summary, the beginning of 2026 was marked by the expansion and constant growth of all our business profits, and in turn, preserving and improving profitability margins.

In terms of working capital, accounts receivable amounted to \$3,515 million, which despite the increase averaged 20 days. Inventories increased by 27.6 percent, reaching \$2,877 million, with an average of 45 days of rotation. This increase is due to some strategic purchases of raw materials that we carry out in response to the rise in some of the prices.

Accounts payable to suppliers were \$1,891 million, with an average of 28 days. Consequently, the cash conversion cycle closed in 38 days. In investments, we allocated \$2,122 million, which is 59% of the food division for the expansion of our own stores, the remodeling of distribution centers, our new distribution center in La Paz, and also the modernization of stores and plants, while in Fibra Nova we continue with the development of industrial properties.

Our total bank debt stands at \$21,699 million, of which 88% is denominated in dollars. However, we maintain a natural hedge derived from our exports, our incomes and walnut marketing, which mitigates exchange rate exposure.



Expectations: we have sales growth of 21%, EBITDA growth of 22%, an EBITDA margin of 19%, and a CAPEX of \$6,556 million. These results support our strategy, our ability to maintain profitable and sustained growth over the long term. We appreciate the commitment and discipline of the entire Grupo Bafar team, which are essential for meeting the quarter's objectives, and looking to the future we remain focused on disciplined execution, driving strategic expansion based on innovation, talent development, and above all a constant focus on the customer.

Well, with this I conclude my comments. Thank you all for listening to me. Now I'm going to call the operator back for the Q&A session.

Thank you.

### **Q&A Session**

**Moderator:** We will begin with the Q&A session. If you would like to ask a question, please click on the raise your hand button, located at the bottom of the screen.

If you are connected by phone, please dial asterisk 9. I remind you that all lines are silenced. When it's your turn to ask, your microphone will be enabled and you can unmute yourself to ask your question. We will pause for questions.

Our first question comes from Jimena Lara. Please give your full name and company name before asking.

**Jimena Lara, Miranda Partners:** Hi, I'm Jimena Lara from Miranda Partners. Good morning. Congratulations on the results. I have several questions. Could you give us the amount you paid for Ciemsa Food Service? How much does it generate in revenue and EBITDA? And how much debt does it bring? What are the expansion plans? And what synergies do you hope to generate with Ciemsa Food Service? And could you give us more details of the Digital Innovation Hub? What types of services do you offer? And what are the benefits it will bring to the group's companies in the future? Thank you very much.

**Luis Eduardo Ramírez:** How are you, Jimena? Thank you very much. Look, about the price, the truth is that, today, derived from the negotiations we had with the family, who previously had the company, we had a disclosure that we signed, and not to reveal this data, what I do tell you is that it was around 5.8 times EBITDA. I had no debt. And finally, going through your second question, we do have a super aggressive expansion plan with the incorporation of Ciemsa.



We already have an area that goes to this segment of Food Service, but the incorporation of this new business also makes us reach the premium base of the segment. Also, its product catalog was limited. We believe that we can complement that catalog a lot. And our strategic plan is that sales in this segment for Grupo Bafar could be growing between four and five times in the next three years. A plan is coming where we are going to first exploit the regions in which Ciemsa was already a leader, but also open different offices in the rest of the country to achieve this objective that I am telling you about.

Regarding the Hub, the truth is that we have made a lot of progress. We have a clear idea of this process where all companies must follow a path towards digitalization and today towards artificial intelligence. And we built a specific area that is in the process of innovating, creating, managing and sometimes also implementing all these technology tools in the group. And obviously they have a strategic roadmap based on the main needs of the operations and divisions of the business and their main function, as I mentioned, is that, is to verify which are the technologies that today can help each of these businesses more efficiently and if they are developed, implement them, if they do not need to be improved or created. And above all, always measuring productivity and efficiency that generates a return and a benefit also for the company. I don't know if I was able to answer your questions.

**Jimena Lara, Miranda Partners:** All of course, thank you very much.

**Luis Eduardo Ramírez:** Thank you. Thank you.

**Moderator:** I remind you that you can press asterisk 9 to ask from a phone line or click on the raise your hand button located at the bottom of the screen.

We will pause once again to wait for additional questions. We haven't received any additional questions, so that concludes our Q&A session. Thank you very much.

I would like to give the floor to Luis Eduardo Ramírez for his concluding remarks.

**Luis Eduardo Ramírez:** Thank you very much. Well, nothing, just thank you for joining us today. You can write to us if you have any additional questions and we appreciate as always your interest in Grupo Bafar and we look forward to speaking with you soon. Thank you very much.

**Moderator:** That concludes the quarterly call. They can disconnect now.