PANOVO®
simplificando la panadería

San Juan de los Lagos, Jalisco — July 16, 2025

PANOVO Alimentaria, part of **Grupo PROAN** — the second-largest egg producer globally and one of Mexico's leading agro-industrial conglomerates — is among the country's most prominent bakery companies. We operate two plants: one specializing in **artisanal and industrial frozen bread**, and another focused on finished products under the **VUALÁ** brand, recognized for its quality and variety. Our strong commitment to innovation, continuous improvement, and operational excellence has enabled us to build a comprehensive product portfolio that blends traditional baking with cutting-edge technology, serving both modern consumers and major retail chains.

Aligned with our strategy for institutional growth, we launched **Project "Semilla"** in collaboration with **London Consulting Group**, with the goal of accelerating our organizational transformation and evolving into a data-driven company. As a result, we enhanced Operational Excellence, efficiency, and traceability through digital tools and best practices, while also improving the internal user experience with more intuitive interfaces (UX/UI) and simplified systems.

The project delivered the following high-level results:

- **EBITDA** increased by **44%** (2024 vs. Jan–May 2025).
- **Organizational Maturity Level** improved from 33% (emerging) to 76% (managed and predictable), solidifying robust processes, indicator-based decision-making, and stronger accountability.
- Return on Investment **(ROI): 3.8 to 1.**

Key Operational Achievements:

Factory Operations

- 8% increase in OEE at the Frozen plant and 11% at the VUALÁ plant
- 8% increase in labor productivity at Frozen and 7% at VUALÁ
- 33% reduction in packaging material usage (Panquelería line)
- 18% reduction in raw material cost by differentiating flour use (VUALÁ)

Quality Assurance & Upkeep Maintenance

- 2% reduction in waste on the Cake line and 28% on the Croissant line (VUALÁ)
- 29% increase in preventive maintenance plan compliance
- 3% improvement in overall plant availability
- Use and adoption of the CMMS Maintenance Management System increased fivefold

Supply Chain

- 72% improvement in inventory reliability
- 164% increase in inventory quality, ensuring optimal stock mix
- 30% improvement in production material coverage
- 12 supplier negotiations completed, achieving average savings of 8%

Sales, Logistics and Operations Planning

- 29% increase in sales during the first half of the year (Frozen division)
- 13% reduction in transportation costs through implementation of a carrier rate matrix
- 6.2% overall reduction in total logistics spending

In parallel, we addressed change management through our **Growth Management** framework, strengthening leadership and organizational culture with **programs such as Agile Leadership and Leadership Accelerators**, achieving adoption levels above 95%. Over 30 Individual Development Plans (IDPs) were rolled out for key leaders, and we launched our first Innovation Hub, applying methodologies like Design Thinking and Lean to drive sustainable innovation and operational efficiency across the organization.

Given the success of this initiative, we have decided to continue working with London Consulting Group on a new **project focused on standard costing, formulation optimization, and performance management through a real-time control room**, further reinforcing our analytical and operational management capabilities.
I highly recommend **London Consulting Group** as a strategic transformation partner. Their structured approach, execution capabilities, and focus on tangible, measurable outcomes make them a valuable ally for any organization committed to continuous improvement and digital evolution.

Sincerely,

Carlos Alberto Romo Ruíz
CEO PANOVO