

LA COMER, S.A.B. DE C.V. (BMV: LACOMER) ANNOUNCES TODAY ITS 4TH Q20 RESULTS

Mexico City, February 24, 2021. La Comer, S.A.B. de C.V., hereafter La Comer (BMV: LACOMER), holding company that operates in the retail sector in Mexico through supermarkets offering groceries, perishables and pharmacy; announced today its 4th Q 2020 results.

Fourth Quarter 2020 Results

Highlights:

- ✓ Increase in total sales of 19.9% and same store sales growth of 16.3%
- ✓ Gross margin of 27.8%
- ✓ EBITDA margin of 9.2%

	4Q 2020					
	2020	%	2019	%	Var %	
Net sales	6,890.2	100.0	5,748.5	100.0	19.9	
Cost of sales	4,977.1	72.2	4,176.1	72.6	19.2	
Gross profit	1,913.1	27.8	1,572.4	27.4	21.7	
Operating expenses	1,541.6	22.4	1,320.5	23.0	16.7	
Operating profit	371.5	5.4	251.9	4.4	47.4	
EBITDA ¹	636.2	9.2	481.1	8.4	32.2	
Operational cash flow	581.4	8.4	429.0	7.5	35.5	
Net financial result	-33.9	(0.5)	-7.2	(0.1)	370.8	
Taxes and other	58.9	0.9	-54.8	(1.0)	(207.5)	
Net Income	278.7	4.0	299.5	5.2	(7.0)	
Same Store Sales (%)	16.3		6.6			
Clients (thousands)	14,762		17,664		(16.4)	
Number of stores	72		71		1.4	
Sales area (m ²)	308,862		300,780		2.7	

In millions of Mexican pesos,

(1) EBITDA refers to Earnings before Interest, Taxes, Depreciation and Amortization.

(2) Operating Cash Flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS 16 effects.

Quarterly Results

COVID-19

Given the presence of COVID-19 in Mexico, the company in mid-march has implemented exceptional measures of operation and hygiene with three clear objectives:

1. Preserve the health of collaborators
2. Preserve the health of clients
3. Ensure the continuity of operation of our stores.

A Contingency Committee continues to operate in the company, in charge of defining and implementing containment measures against COVID-19. The defined measures have been updated as necessary, in accordance with the evolution of this situation and the medical and technical developments that allow us to better face COVID-19.

La Comer also remains alert to the recommendations and indications communicated by health authorities to maintain or modify the operational and hygiene guidelines.

During this period, priority has been given to the continuous supply in all our stores to avoid shortages of any product.

Sales

Net sales for the quarter amounted \$6,890 million pesos, having an increase of 19.9% compared to the same period of 2019. Same store sales in the quarter grew 16.3%.

During the quarter, we participated in the “*Buen Fin*” Mexican campaign with similar results to the previous year. Our weekly “*Miércoles de Plaza*” campaign, where we offer high quality perishable products at preferential prices every Wednesday, continues to have high acceptance among our customers.

All formats, regions and categories present high positive numbers, but the City Market format stood out with the highest same store sales increases in the quarter. None of our store has closed during the pandemic.

By region, there was a greater growth in same store sales in the Western region of the country since the stores that have opened in that area continue to have very favorable sales increases showing the acceptance of our formats in that region.

By product category, we can highlight that during the quarter there were significant increases in the perishables category.

Due to the confinement situation and the adaptations to the new measures and needs presented by the COVID-19 pandemic, our sales levels of our digital platform "La Comer en tu Casa" continue with important increases, although slightly more moderate than those presented during the third quarter.

In the month of November, to continue with our remodeling plan, one La Comer format store located in the State of Mexico was temporarily closed to carry out a total remodeling of it, having an effect in the total sales of the company.

Gross Profit

Gross profit increased from \$1,572 million pesos in the fourth quarter of 2019 to \$1,913 million pesos in the fourth quarter of 2020; presenting an increase of 21.7%. The gross margin for the fourth quarter of 2020 was 27.8% compared to 27.4 % in the same period of the previous year, presenting an increase of 41 basis points,

This expansion in the gross margin occurred despite some adverse effects caused by the COVID-19 pandemic; such as the decrease in real estate income, the additional costs in the operation of the distribution centers and the sharp decrease in sales in the prepared food and bakery section. The factors that supported this situation are improvements in logistics and control of losses, as well as transport efficiencies.

Operating profit and EBITDA

For the fourth quarter of 2020 there was an operating income of \$371 million pesos, presenting an operating margin of 5.4%. This represented an increase in operating income in the fourth quarter of 2020 of 47.4% against the same period of the previous year.

Some accounts with relevant increases in expenses were:

- Wages and salaries, to strengthen the areas of Logistics and "La Comer en tu Casa" to satisfy the increase in demand. Additionally, the entire group of "vulnerable" employees who are confined at home due to their situation is being included.
- Extraordinary expenses for cleaning, necessary due to the health emergency of COVID-19 to keep our stores in optimal conditions and offer our collaborators and customers a sanitized environment.
- Expenses related to our online sales system (e-commerce) "La Comer en tu Casa", to improve the shopping experience and cover the increase in demand.
- Surveillance expenses, to offer our customers maximum security within our stores.
- Increase in expenses for packaging to preserve food hygiene.

The EBITDA margin for the fourth quarter of 2020 was 9.2% compared with an 8.4% of 2019. The EBITDA of the fourth quarter of 2020 was \$636 million pesos, showing a growth of 32.2% against 2019.

The Operating Cash Flow (EBITDA without IFRS16 effects), was for the fourth quarter of 2020 of \$581 million pesos presenting an increase of 35.5% compared to the fourth quarter of 2019. Operating cash flow margin for the fourth quarter of 2020 was 8.4% that compares with 7.5% for the same period of the previous year.

Net Financial Result

The company presented an expense in the integral result of net financing of \$ 34 million pesos, although \$25 million pesos were generated by financial products, these were affected by the effect of IFRS 16 due to interests on leases liabilities.

Net income for the quarter was \$279 million pesos presenting a decrease of 7.0% compared to the same period in 2019.

As of December 2020 Results

Highlights:

- ✓ Increase in total sales of 25.1%
- ✓ Increase in same store sales of 18.8%
- ✓ EBITDA margin of 10.2%

As of December 2020					
	2020	%	2019	%	Var %
Net sales	27,020.6	100.0	21,591.4	100.0	25.1
Cost of sales	19,636.2	72.7	15,698.4	72.7	25.1
Gross profit	7,384.4	27.3	5,893.0	27.3	25.3
Operating expenses	5,650.9	20.9	4,775.7	22.1	18.3
Operating profit	1,733.5	6.4	1,117.3	5.2	55.1
EBITDA¹	2,747.9	10.2	1,978.1	9.2	38.9
Operational cash flow ²	2,528.7	9.4	1,783.1	8.3	41.8
Net financial result	14.8	0.1	9.7	0.0	52.6
Taxes and other	281.2	1.0	90.9	0.4	209.4
Net Income	1,467.1	5.4	1,036.1	4.8	41.6
Same Store Sales (%)	18.8		6.5		
Clients (thousands)	60,079		68,649		(12.5)
Inventory days ratio	59		67		(11.7)
Supplier days ratio	65		72		(10.2)
Number of stores	72		71		1.4
Sales area (m ²)	308,862		300,780		2.7

In millions of Mexican pesos,

(1) EBITDA refers to Earnings before Interest, Taxes, Depreciation and Amortization.

(2) Operating Cash Flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS16 effects.

Net sales

In cumulative terms, for the year, total sales amounted \$27,021 million pesos, presenting an increase of 25.1% compared to the same period of the previous year. Same store sales for the period increased 18.8% highlighting that in the year, our City Market format presented the best growth results.

By category, perishables and groceries showed relevant increases.

During the year, there were some changes in the behavior of our clients; showing a decrease in their frequency of visits to the stores and increasing the average purchase per visit by approximately 40%, which fully offset the decrease in traffic. During the year electronic commerce transactions increased significantly in our online shopping application: *La Comer en tu Casa*.

Gross profit

Gross profit for the period had a margin of 27.3% as a percentage of sales, very similar to last year.

Throughout the year, due to the emergency decreed due to the COVID-19 virus, priority was given to supply in all our stores. Although constant cleaning and sanitation costs have increased in our distribution centers; and there has been a change in the product mix, significantly reducing the share of prepared foods, through logistical efficiencies in transport and losses control, it has been possible to maintain the gross margin.

Operating income and EBITDA

Operating income for the total year, grew by 55.1% and had a margin of 6.4%. During this period, expenses in sanitization, security and expenses in our e-commerce platform La Comer en tu Casa, increased significantly.

In cumulative terms of 2020, the EBITDA margin was 10.2%, generating a cash flow of \$ 2,748 million pesos, and growing 38.9% versus the 2019 figure.

The Operating Cash Flow (EBITDA without IFRS16 effects), was for the period of 2020 of \$2,529 million pesos presenting an increase of 41.8% compared to the same period of 2019. Operating margin for the year of 2020 was 9.4% that compares with 8.3% for the same period of the previous year.

Financial income

Within this concept, the company presented an integral result of net financing of \$15 million pesos, due to \$136 million pesos for financial products, interest on leases of \$150 million pesos and the difference, due to foreign exchange movements.

Taxes & Net profit

During this period, an amount of \$281 million pesos of taxes was reported.

For all the above, the net profit for the year was \$1,467 million pesos compared to \$1,036 million pesos for the same period of the previous year, presenting an increase of 41.6%.

Working Capital

The company presented at the end of this period a cash balance of \$ 3,040 million pesos, an increase of \$ 649 million pesos against the cash balance as of December 2019. Levels for inventories were \$3,239 million pesos and for suppliers \$3,539 million pesos. Inventory turnover as of December 2020 was of 59 days, and a turnover of 65 days for suppliers, having a 6 day difference.

Investment projects

In the month of July, the company opened a new Fresko store in the state of Querétaro, which generated 310 jobs.

In September, La Comer opened a new La Comer store in the state of Aguascalientes, which generated 408 jobs.

In November, one La Comer store was temporarily closed to proceed with its total remodeling.

Installed capacity 4Q2020

The company, as for the fourth quarter 2020, has 72 stores that operate in four different formats: City Market, Fresko, La Comer and Sumesa.

The installed capacity was as follows:

	Stores	Sq.mts.
La Comer	32	213,242
Sumesa	13	10,303
City Market	12	38,967
Fresko	15	46,350
	72	308,862

Sustainability and Social Responsibility

As a socially responsible company, the task of taking care of its human capital, customers and suppliers has been given priority during this time. Furthermore, the company has generated initiatives and projects that help improve the quality of life in our society given the pandemic situation.

Some of the initiatives that the company has had during this period are:

- **Green Packages**, (help for most in need) .For each food package donated by client, the company donated two. The company distributed 60,000 food packages with the Banco de Alimentos Foundation.
- **Support for orphanages** (Santa María), donating 5,000 food packages for the benefit of children who attended orphanage dining rooms, handing the packages directly to their homes.
- **Pink Packages**, a chain of help with products at cost, selling more than 28,000 packages
- Donation of 1,000 food boxes to the National System for the Integral Development of the Family (DIF) of Mexico City
- **Senior Support** (Packers). During this period, we have supported approximately 1,800 senior packers with more than 24 million pesos.
- **Tenant Support**, having considerations due to their temporary closings and effects on their sales.
- **Factoring**, • Support to SME suppliers with shorter payment terms and financing at a preferential rate

The company continues to support Un Kilo de Ayuda foundations and the Mexican Foundation for Rural Development.

Research and analyst coverage

In compliance with Mexican Stock Exchange internal regulation, article 4.033.01 - VIII (maintenance requirements), La Comer informs that the following institutions provide coverage to Equity securities of the company:

- BBVA Bancomer (Miguel Ulloa)
- Grupo Bursátil Mexicano (Luis Rodrigo Willard)
- Itaú BBA (Joaquín Ley)
- Scotiabank Inverlat (Rodrigo Echagaray)
- Punto Casa de Bolsa (Cristina Morales)
- Barclays (Benjamin M Theurer)
- J.P. Morgan (Ulises Argote)
- Grupo Financiero Actinver (Jerónimo Cobián)
- Banorte-IXE (Valentín Mendoza Balderas)
- Nau Securities LTD (Pedro Baptista)
- Vector Casa de Bolsa (Marcela Muñoz)

Sincerely,

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LA COMER, S.A.B. DE C.V.
QUARTER INCOME STATEMENT
(In thousands Mexican pesos as of December 31, 2020)

	4Q2020	%	4Q2019	%	Var.
Net sales	6,890,177	100.0%	5,748,501	100.0%	19.9%
Cost of sales	4,977,124	72.2%	4,176,091	72.6%	19.2%
Gross profit	1,913,053	27.8%	1,572,410	27.4%	21.7%
Selling expenses	1,298,227	18.8%	1,118,555	19.5%	16.1%
Administrative expenses	229,742	3.3%	214,480	3.7%	7.1%
Other income	17,108	0.2%	15,002	0.3%	14.0%
Other expenses	30,733	0.4%	2,436	0.0%	1161.6%
Operating profit	371,459	5.4%	251,941	4.4%	47.4%
Financial income	40,302	0.6%	41,353	0.7%	-2.5%
Financial expenses	74,228	1.1%	48,547	0.8%	52.9%
Earnings before tax & profit sharing	337,533	4.9%	244,747	4.3%	37.9%
Income tax	58,867	0.9%	(54,772)	-1.0%	-207.5%
Gains from continued operations	278,666	4.0%	299,519	5.2%	-7.0%
Net income	278,666	4.0%	299,519	5.2%	-7.0%
Depreciation & amortization	264,738	3.8%	229,204	4.0%	15.5%
EBITDA	636,197	9.2%	481,145	8.4%	32.2%
Operational Cash flow	581,253	8.4%	428,980	7.5%	35.5%

LA COMER, S.A.B. DE C.V.
INCOME STATEMENT

(In thousands Mexican pesos as of December 31, 2020)

	2020	%	2019	%	Var.
Net Sales	27,020,615	100.0%	21,591,397	100.0%	25.1%
Cost of sales	19,636,160	72.7%	15,698,400	72.7%	25.1%
Gross profit	7,384,455	27.3%	5,892,997	27.3%	25.3%
Operating expenses	4,802,711	17.8%	4,053,703	18.8%	18.5%
Administrative expenses	825,224	3.1%	777,779	3.6%	6.1%
Other income	41,238	0.2%	77,184	0.4%	-46.6%
Other expenses	64,230	0.2%	21,356	0.1%	200.8%
Operating profit	1,733,528	6.4%	1,117,343	5.2%	55.1%
Financial income	227,949	0.8%	193,377	0.9%	17.9%
Financial expenses	213,170	0.8%	183,716	0.9%	16.0%
Earnings before tax & profit sharing	1,748,307	6.5%	1,127,004	5.2%	55.1%
Income tax	281,233	1.0%	90,882	0.4%	209.4%
Gains from continued operations	1,467,074	5.4%	1,036,122	4.8%	41.6%
Net income	1,467,074	5.4%	1,036,122	4.8%	41.6%
Depreciation & amortization	1,014,353	3.8%	860,729	4.0%	17.8%
EBITDA	2,747,881	10.2%	1,978,072	9.2%	38.9%
Operating Cash Flow	2,528,593	9.4%	1,783,066	8.3%	41.8%

LA COMER, S.A.B. DE C.V.
BALANCE SHEET

(In thousands Mexican pesos as of December 31, 2020)

	2020	2019
Current Assets		
Cash and Temporary investments	3,040,367	2,391,412
Clients (net account receivables)	960,963	828,929
Recoverable taxes	16,252	12,318
Inventories	3,238,989	3,259,909
Other assets	110,293	112,307
Current assets other than non-current assets	7,366,864	6,604,875
Assets held for sale	17,039	-
Total Current Assets	7,383,903	6,604,875
Property, plant and equipment (Net)	14,695,657	13,385,307
Property and leasehold improvements	625,069	627,122
Assets by right of use	1,296,365	1,327,678
Good will	43,651	-
Intangible assets other than goodwill	6,277,998	6,277,998
Deferred tax assets	189,818	149,197
Other non-current non-financial assets	418,497	531,098
Total noncurrent assets	23,547,055	22,298,400
Total Assets	30,930,958	28,903,275
Trade payables	4,299,959	3,902,389
Taxes payable	213,358	145,082
Short-term lease liabilities	64,643	58,937
Total current provisions	336,934	254,110
Current Liabilities	4,914,894	4,360,518
Long-term lease liabilities	1,295,134	1,282,602
Provisions for employee long term benefits	143,218	121,883
Deferred tax liabilities	434,233	121,237
Total long-term liabilities	1,872,585	1,525,722
Total Liabilities	6,787,479	5,886,240
Capital Stock	1,966,662	1,966,662
Share issuance	264,724	206,505
Total Earned Capital	20,152,457	19,126,497
Other comprehensive income	1,759,636	1,717,371
Total controlling interest	24,143,479	23,017,035
Stock Holders' Equity	24,143,479	23,017,035
Total liabilities and stockholders' equity	30,930,958	28,903,275

LA COMER, S.A.B. DE C.V.
CASH FLOW STATEMENT

(In thousands Mexican pesos as of December 31, 2020)

Operation Activities	2020	2019
Earnings (Loss) net	1,467,074	1,036,122
Adjustments to reconcile earnings	2020	2019
Taxes payable	281,234	90,882
Financial income & expense	14,206	(11,925)
Depreciation and amortization expenses	1,014,353	860,729
Provisions	33,379	19,711
Income from disposal of current assets	6,506	27,337
Decrease (increase) in inventories	20,920	(588,088)
Decrease of clients	22,941	18,386
Increases in other receivables arising from operating activities	(280,424)	(17,267)
Increase (decrease) on suppliers	310,893	288,211
Increase (decrease) in other accounts payable	244,650	(52,239)
Total adjustments to reconcile profit	1,668,658	635,737
Net cash flows used in operations	3,135,732	1,671,859
Taxes on profits (paid)	(10,602)	(123,272)
Resources provided by operation activities	3,146,334	1,795,131
Cash Flows from Investment Activities	2020	2019
Cash flows used to gain control of subsidiaries or other businesses	274,000	-
Amounts from the sale of property, plant and equipment	9,164	3,318
Purchases of property, plant and equipment	1,784,764	1,916,593
Long-term purchases of other equipment	10,421	12,093
Interests income	136,390	153,235
Net cash flow from investment activities	(1,923,631)	(1,772,133)
Cash flows from (used) in financing activities	2020	2019
Payments for acquiring or redeeming the entity's shares	(100,654)	(240)
Payments of lease liabilities	91,222	92,379
Dividends paid	432,584	-
Interest paid	150,596	141,310
Net cash flows from (used) in financing activities	(573,748)	(233,449)
Cash flow from investing activities	648,955	(210,451)
Financing activities	2020	2019
Increase/decrease in cash and temporary investments	648,955	(210,451)
Cash and temporary investments at beginning of year	2,391,412	2,601,863
Cash and temporary investments at the end of year	3,040,367	2,391,412