

LA COMER, S.A.B. DE C.V. (BMV: LACOMER) ANNOUNCES TODAY ITS 1ST Q21 RESULTS

Mexico City, April 28th, 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 1stQ 2021 results.

First Quarter 2021 Results

Highlights:

- ✓ Increase in total sales of 6.9% and same store sales growth of 5.9%
- ✓ Gross margin of 28.0%
- ✓ EBITDA margin of 11.3%

	1Q 2021				
	2021	%	2020	%	Var %
Net sales	6,613.3	100.0	6,183.9	100.0	6.9
Cost of sales	4,759.1	72.0	4,461.4	72.1	6.7
Gross profit	1,854.2	28.0	1,722.5	27.9	7.6
Operating expenses	1,386.3	21.0	1,258.8	20.4	10.1
Operating profit	467.9	7.1	463.7	7.5	0.9
EBITDA¹	748.9	11.3	723.4	11.7	3.5
Operational cash flow ²	693.5	10.5	669.5	10.8	3.6
Net financial result	2.7	0.0	30.2	0.5	(91.1)
Taxes and other	96.1	1.5	66.0	1.1	45.6
Net Income	374.5	5.7	427.9	6.9	(12.5)
Same Store Sales (%)	5.9		16.9		
Clients (thousands)	14,209		17,229		(17.5)
Inventory days ratio	61		66		(8.4)
Supplier days ratio	59		72		(17.7)
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

We continue to operate with all containment measures against COVID-19. We remain alert to recommendations and indications from health authorities, to continue operating with high levels of protection towards our customers and employees.

Sales

Net sales for the quarter amounted \$6,613 million pesos, having an increase of 6.9% compared to the same period of 2020. Same store sales in the quarter grew 5.9%.

The sales comparison in the second half of March, presented a decrease, because during that same period of the previous year, there were extraordinary sales by the beginning of the pandemic in our country. In the quarter, all regions and categories have positive numbers, the City Market format showed the highest sales increases in the quarter.

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, in line with the company's strategy of maintaining a differentiation in assortment, quality and freshness in that section.

During the quarter we had a negative effect for the extra day of February of the leap year 2020, however this effect, was relatively moderate compared to the effect of the basis of comparison by the supply that was experienced in the second half of March 2020.

Because of the confinement situation and adaptations to the measures and needs presented by the COVID-19 pandemic, our sales levels of our digital platform "La Comer en tu Casa" continue at important levels, similar to those obtained at the end of last year.

Gross Profit

Gross profit increased from \$1,722 million pesos in the first quarter of 2020 to \$1,854 million pesos in the first quarter of 2021; presenting an increase of 7.6%. The gross margin for the first quarter of 2021 was 28.0% compared to 27.9 % in the same period of the previous year, presenting an increase of 19 basis points,

This 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 issues that supported this situation are improvements in logistics and control of losses, as well as transport efficiencies.

Operating profit and EBITDA

For the first quarter of 2021 there was an operating income of \$468 million pesos, presenting an operating margin of 7.1%, slightly lower than 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, substitutes for the entire group of "vulnerable" employees who are confined at home..
- 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.
- Packaging expenses, as we are replacing for more environmentally friendly compostable packaging as well as impeccable shipping packaging for our e-commerce platform "La Comer en tu Casa" delivery.
- 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 expenses in packaging, to preserve food hygiene.

The EBITDA margin for the first quarter of 2021 was 11.3% compared with an 11.7% of 2020. The EBITDA of the first quarter of 2021 was \$749 million pesos, showing a growth of 3.5% against 2020.

The Operating Cash Flow (EBITDA without IFRS16 effects), was for the first quarter of 2021 of \$693 million pesos presenting an increase of 3.6% compared to the first quarter of 2020. Operating cash flow margin for the first quarter of 2021 was 10.5% that compares with 10.8% for the same period of the previous year.

Financial Result and Income Tax

During the quarter there were lower financial products than those obtained during the same period last year, mainly due to lower interest rates. Also, a lower exchange profit was obtained.

Additionally, in the income tax account we are provisioning a higher income tax rate than the one provided in the first quarter of last year.

Given these effects, net income for the quarter was \$375 million pesos presenting a decrease of 12.5% compared to the same period in 2020.

Working Capital

The company presented at the end of this period a cash balance of \$ 2,831 million pesos, an increase of \$210 million pesos against the cash balance as of December 2020. Levels for inventories were \$3,363 million pesos and for suppliers \$3,267 million pesos. Inventory turnover as of March 2021 was of 61 days, and a turnover of 59 days for suppliers, having a 2 day difference.

Installed capacity 1Q2021

The company, as for the first quarter 2021, 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

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

Throughout the quarter we continued to support with the compensation for older adults who performed as volunteer packers.

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 March 31, 2021)

	1Q2021	%	1Q2020	%	Var.
Net sales	6,613,292	100.0%	6,183,912	100.0%	6.9%
Cost of sales	4,759,120	72.0%	4,461,414	72.1%	6.7%
Gross profit	1,854,172	28.0%	1,722,498	27.9%	7.6%
Selling expenses	1,194,941	18.1%	1,057,570	17.1%	13.0%
Administrative expenses	203,801	3.1%	192,523	3.1%	5.9%
Other income	17,733	0.3%	6,481	0.1%	173.6%
Other expenses	5,249	0.1%	15,165	0.2%	-65.4%
Operating profit	467,914	7.1%	463,721	7.5%	0.9%
Financial income	49,060	0.7%	76,778	1.2%	-36.1%
Financial expenses	46,394	0.7%	46,604	0.8%	-0.5%
Earnings before tax & profit sharing	470,580	7.1%	493,895	8.0%	-4.7%
Income tax	96,108	1.5%	65,978	1.1%	45.7%
Net income	374,472	5.7%	427,917	6.9%	-12.5%
Depreciation & amortization	281,001	4.2%	259,651	4.2%	8.2%
EBITDA	748,915	11.3%	723,372	11.7%	3.5%
Operational Cash flow	693,496	10.5%	669,500	10.8%	3.6%

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

(In thousands Mexican pesos as of March 31, 2021)

	2021	2020
Current Assets		
Cash and Temporary investments	2,830,681	3,040,366
Clients (net account receivables)	1,062,859	960,963
Recoverable taxes	22,364	16,252
Inventories	3,363,336	3,238,989
Other assets	110,151	110,293
Current assets other than non-current assets	7,389,391	7,366,863
Assets held for sale	17,039	17,039
Total Current Assets	7,406,430	7,383,902
Property, plant and equipment (Net)	14,978,913	14,739,721
Property and leasehold improvements	624,556	625,069
Assets by right of use	1,322,674	1,296,365
Good will		
Intangible assets other than goodwill	6,277,998	6,277,998
Deferred tax assets	182,439	182,363
Other non-current non-financial assets	393,773	418,497
Total noncurrent assets	23,780,353	23,540,013
Total Assets	31,186,783	30,923,915
Trade payables	4,210,561	4,299,959
Taxes payable	51,160	213,364
Short-term lease liabilities	65,965	64,643
Total current provisions	353,170	337,072
Current Liabilities	4,680,856	4,915,038
Long-term lease liabilities	1,331,645	1,295,134
Provisions for employee long term benefits	146,177	143,218
Deferred tax liabilities	523,038	426,854
Total long-term liabilities	2,000,860	1,865,206
Total Liabilities	6,681,716	6,780,244
Capital Stock	1,966,662	1,966,662
Share issuance	264,724	264,724
Total Earned Capital	20,527,122	20,152,650
Other comprehensive income	1,746,559	1,759,635
Total controlling interest	24,505,067	24,143,671
Stock Holders' Equity	24,505,067	24,143,671
Total liabilities and stockholders' equity	31,186,783	30,923,915

LA COMER, S.A.B. DE C.V.
CASH FLOW STATEMENT
(In thousands Mexican pesos as of March 31, 2021)

Operation Activities	2021	2020
Earnings (Loss) net	374,472	427,917
Adjustments to reconcile earnings	2021	2020
Taxes payable	96,108	65,978
Financial income & expense	8,709	(3,578)
Depreciation and amortization expenses	281,001	259,651
Provisions	7,515	6,582
Income from disposal of current assets	(40)	1,958
Decrease (increase) in inventories	(124,347)	203,088
Decrease of clients	(23,727)	15,191
Increases in other receivables arising from operating activities	(85,764)	(17,599)
Increase (decrease) on suppliers	(271,726)	75,559
Increase (decrease) in other accounts payable	(20,224)	(11,702)
Total adjustments to reconcile profit	(132,495)	595,128
Net cash flows used in operations	241,977	1,023,045
Taxes on profits (paid)	37,943	(57,420)
Resources provided by operation activities	204,034	1,080,465
Cash Flows from Investment Activities	2021	2020
Cash flows used to gain control of subsidiaries or other businesses	-	274,000
Amounts from the sale of property, plant and equipment	816	1,791
Purchases of property, plant and equipment	372,613	317,352
Long-term purchases of other equipment	1,247	2,686
Interests income	29,083	39,463
Net cash flow from investment activities	(343,961)	(552,784)
Cash flows from (used) in financing activities	2021	2020
Payments for acquiring or redeeming the entity's shares	13,076	-
Payments of lease liabilities	18,890	17,949
Interest paid	37,792	35,885
Net cash flows from (used) in financing activities	(69,758)	(53,834)
Cash flow from investing activities	(209,685)	473,847
Financing activities	2021	2020
Increase/decrease in cash and temporary investments	(209,685)	473,847
Cash and temporary investments at beginning of year	3,040,366	2,391,412
Cash and temporary investments at the end of year	2,830,681	2,865,259