

LA COMER, S.A.B. DE C.V. (BMV: LACOMER) ANNOUNCES TODAY ITS 3RDQ21 RESULTS

Mexico City, October 27, 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 3rdQ 2021 results.

Third Quarter 2021 Results

Highlights:

- ✓ Increase in total sales of 6.6% and same store sales growth of 3.7%
- ✓ Gross margin of 27.9%
- ✓ EBITDA margin of 10.3%

	3Q 2021				
	2021	%	2020	%	Var %
Net sales	7,339.1	100.0	6,882.5	100.0	6.6
Cost of sales	5,291.6	72.1	4,999.4	72.6	5.8
Gross profit	2,047.5	27.9	1,883.1	27.4	8.7
Operating expenses	1,553.7	21.2	1,463.0	21.3	6.2
Operating profit	493.8	6.7	420.1	6.1	17.5
EBITDA¹	758.2	10.3	668.3	9.7	13.5
Operational cash flow ²	697.5	9.5	614.3	8.9	13.5
Net financial result	(1.8)	(0.0)	8.1	0.1	(122.2)
Taxes and other	101.1	1.4	76.5	1.1	32.2
Net Income	390.9	5.3	351.7	5.1	11.1
Same Store Sales (%)	3.7		19.1		
Clients (thousands)	16,294		14,457		12.7
Number of stores	75		73		2.7
Sales area (m ²)	320,907		310,290		3.4

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.

Sales

Net sales for the quarter amounted \$7,339 million pesos, having an increase of 6.6% compared to the same period of 2020. Same store sales in the quarter grew 3.7%.

We continued during this quarter with our Orange Season "Temporada Naranja" promotional campaign, based on offering promotions on products from various departments and rotating them throughout the promotional season. Our weekly Plaza's Wednesday campaign, where we offer high quality perishable products at preferential prices every Wednesday, also continues to be accepted by our customers.

By region, there was higher growth in same-store sales in the Northwest region, followed by stores in the Southwest region, which continued with favorable increases in sales.

By category of products, we can highlight that during the quarter there were significant increases in the category of perishables, as well as in the sale of prepared food and bakery.

Due to the confinement situation and the adaptations to current measures and needs, our sales levels of our digital platform "La Comer en tu Casa" continue with an important participation in sales, similar to that reported at the end of last year.

Gross Profit

Gross profit increased from \$1,883 million pesos in the third quarter of 2020 to \$2,047 million pesos in the third quarter of 2021; presenting an increase of 8.7%. The gross margin for the third quarter of 2021 was 27.9% compared to 27.4% in the same period of the previous year, presenting an increase of 54 basis points,

The improvement that has occurred in the margin is due to the recovery in the income of the Real Estate section, as well as a greater participation in sales in our prepared food and bakery departments, which during the same period last year showed a decrease in its operating activities. Other factors that supported this increase are improvements in logistics and waste control.

Operating profit and EBITDA

For the third quarter of 2021 there was an operating profit of \$494 million pesos, showing an increase of 17.5% compared to the same period of the previous year and presenting in the third quarter of 2021 an operating margin of 6.7%.

Some accounts with relevant increases in expenses were:

- Cleaning and cleaning expenses, necessary due to the health emergency of COVID19 to keep our stores in optimal conditions and offer our customers a sanitized environment
- Packaging expenses, as we continue to substitute compostable packaging that is more environmentally friendly, as well as packaging for impeccable shipments from our La Comer en tu Casa platform
- Advertising expenses
- Expenses that support the openings of new stores
- Expenditures on systems to reinforce the operation and digital security of distribution centers, stores and corporate centers.

The EBITDA margin for the third quarter 2021 was 10.3%, higher than the 9.7% of the same period of the previous year. The EBITDA for the third quarter 2021 was \$ 758 million pesos, showing a growth against the third quarter of 2020 of 13.5%.

Net 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 and lower foreign exchange earnings.

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

Given these effects, the net profit for the quarter was \$391 million pesos, presenting an increase against the third quarter of 2020 of 11.1%.

As of September 2021 Results

Highlights:

- ✓ Total sales growth of 5.1% and same stores sales of 3.1%
- ✓ 27.6% Gross margin
- ✓ 10.6% EBITDA margin

	As of Sept. 30, 2021				
	2021	%	2020	%	Var %
Net sales	21,149.9	100.0	20,130.4	100.0	5.1
Cost of sales	15,306.5	72.4	14,659.0	72.8	4.4
Gross profit	5,843.4	27.6	5,471.4	27.2	6.8
Operating expenses	4,421.1	20.9	4,109.3	20.4	7.6
Operating profit	1,422.3	6.7	1,362.1	6.8	4.4
EBITDA¹	2,239.1	10.6	2,111.7	10.5	6.0
Operational cash flow ²	2,061.4	9.7	1,947.3	9.7	5.9
Net financial result	(14.3)	(0.1)	48.7	0.2	(129.4)
Taxes and other	294.9	1.4	222.4	1.1	32.6
Net Income	1,113.1	5.3	1,188.4	5.9	(6.3)
Same Store Sales (%)	3.1		19.6		
Clients (thousands)	46,123		45,317		1.8
Inventory days ratio	72		63		14.4
Supplier days ratio	77		73		5.7
Number of stores	75		73		2.7
Sales area (m ²)	320,907		310,290		3.4

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, total sales amounted to \$21,150 million pesos, presenting an increase of 5.1% compared to the same period of the previous year. Same store sales for the first nine months of the year increased by 3.1%.

Our La Comer format presented the highest same-store sales increases in the period, helped by the good execution of our Orange Season. Likewise, our Fresko and Sumesa formats continue with positive increases.

All regions showed growth in same-store sales, the Northwest region, where three of our stores are located, had the highest growth in the period. Additionally, stores in the Western region continue to show significant increases.

By product category, we can highlight that for the nine months of the year, there were greater increases in the perishables category, as well as a strong recovery in the prepared food and bakery areas.

Gross profit

The gross profit presented a margin of 27.6% as a percentage of sales, presenting an increase of 40 basis points. During this period, the gross profit of \$5,843 million pesos, presented an increase with respect to the previous year of 6.8%.

Even with constant cleaning and sanitation costs that we have maintained in our distribution centers, we have achieved logistical efficiencies. Additionally, we have had a recovery in the product mix in which the share of prepared foods that generally have a higher margin has increased, as well as a regularization in real estate income.

Operating income and EBITDA

Operating profit for the nine months of the year was \$1,422 million pesos, which presented an increase of 4.4% against the same period of the previous year and presenting a margin of 6.7% against a margin of 6.8% the same period of the previous year. During this period, the most relevant expenses were expenses in biodegradable packaging, expenses for the opening of new stores and expenses in systems technology.

In accumulated terms for 2021, the EBITDA margin was 10.6% generating a flow of \$ 2,239 million pesos, growing 6.0% against the EBITDA of 2020.

The Operating Flow (EBITDA less the flow from rent payments), was for the accumulated of 2021 of \$2,061 million pesos, presenting an increase of 5.9% compared to the same period of the previous year of \$ 1,947 million pesos. The operating flow margin for the first 9 months of 2021 was 9.7%, the same as for the same period of the previous year.

Financial income

Within this concept, the company presented an expense in the integral result of financing of \$14 million pesos, due to \$81 million pesos for financial products, interest on leases of \$ 114 million pesos and the difference, due to foreign exchange movements.

Taxes & Net profit

During this period, an income tax of \$295 million pesos was reported.

Net income so far this year was \$1,113 million pesos compared to \$1,188 million for the same period of the previous year.

Working Capital

The company presented at the end of this period a cash balance of \$ 2,957 million pesos, presenting a decrease of \$83 million pesos against the cash balance as of December 2020, used mainly in the investment of projects for future openings in the year. Levels for inventories were \$3,683 million pesos and for suppliers \$3,510 million pesos. Inventory turnover as of September 2021 was of 72 days, and a turnover of 77 days for suppliers, having a 5 day difference.

Investment projects

During the quarter we opened two stores:

The reopening of a store in Huixquilucan, State of Mexico. This business unit generates 260 formal jobs. Previously, this establishment was a La Comer store - closed in November 2020 -, completely rebuilt to change it to the Fresko format.

We inaugurated the first store of the City Market format in San Miguel de Allende, Guanajuato. This business unit generates 540 formal jobs.

Installed capacity 3Q2021

The company, as for the second quarter 2021, has 75 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	33	218,331
Sumesa	13	10,303
City Market	13	43,449
Fresko	16	48,824
	75	320,907

Sustainability and Social Responsibility

As a socially responsible company, La Comer has been given the task of taking care of both its human capital as well as its customers and suppliers during this time. The company continues to support the Un Kilo de Ayuda foundations; and the Mexican Foundation for Rural Development.

Until May of this year, we continued to provide compensation support to older adults who carried out their work as volunteer packers, since as of June they have begun to incorporate into their activities, with all the pertinent prevention measures.

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)
- 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 September 30, 2021)

	3Q2021	%	3Q2020	%	Var.
Net sales	7,339,062	100.0%	6,882,549	100.0%	6.6%
Cost of sales	5,291,551	72.1%	4,999,397	72.6%	5.8%
Gross profit	2,047,511	27.9%	1,883,152	27.4%	8.7%
Selling expenses	1,331,273	18.1%	1,262,550	18.3%	5.4%
Administrative expenses	232,439	3.2%	205,327	3.0%	13.2%
Other income	11,556	0.2%	11,252	0.2%	2.7%
Other expenses	1,547	0.0%	6,418	0.1%	-75.9%
Operating profit	493,808	6.7%	420,109	6.1%	17.5%
Financial income	38,277	0.5%	54,854	0.8%	-30.2%
Financial expenses	40,029	0.5%	46,707	0.7%	-14.3%
Earnings before tax & profit sharing	492,056	6.7%	428,256	6.2%	14.9%
Income tax	101,191	1.4%	76,532	1.1%	32.2%
Net income	390,865	5.3%	351,724	5.1%	11.1%
Depreciation & amortization	264,441	3.6%	248,194	3.6%	6.5%
EBITDA	758,249	10.3%	668,303	9.7%	13.5%
Operational Cash flow	697,528	9.5%	614,326	8.9%	13.5%

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

(In thousands Mexican pesos as of September 30, 2021)

	2021	%	2020	%	Var.
Net Sales	21,149,917	100.0%	20,130,439	100.0%	5.1%
Cost of sales	15,306,534	72.4%	14,659,036	72.8%	4.4%
Gross profit	5,843,383	27.63%	5,471,403	27.18%	6.8%
Operating expenses	3,800,247	18.0%	3,504,485	17.4%	8.4%
Administrative expenses	653,750	3.1%	595,482	3.0%	9.8%
Other income	42,196	0.2%	24,130	0.1%	74.9%
Other expenses	9,233	0.0%	33,497	0.2%	-72.4%
Operating profit	1,422,349	6.7%	1,362,069	6.8%	4.4%
Financial income	117,031	0.6%	187,648	0.9%	-37.6%
Financial expenses	131,347	0.6%	138,942	0.7%	-5.5%
Earnings before tax & profit sharing	1,408,033	6.7%	1,410,775	7.0%	-0.2%
Income tax	294,926	1.4%	222,367	1.1%	32.6%
Net income	1,113,107	5.3%	1,188,408	5.9%	-6.3%
Depreciation & amortization	816,770	3.9%	749,616	3.7%	9.0%
EBITDA	2,239,119	10.6%	2,111,686	10.5%	6.0%
Operating Cash Flow	2,061,357	9.7%	1,947,340	9.7%	5.9%

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

(In thousands Mexican pesos as of September 30, 2021)

	2021	2020
Current Assets		
Cash and Temporary investments	2,956,982	3,040,366
Clients (net account receivables)	1,154,647	960,963
Recoverable taxes	84,257	16,252
Inventories	3,683,506	3,238,989
Other assets	109,868	110,293
Current assets other than non-current assets	7,989,260	7,366,863
Assets held for sale	17,039	17,039
Total Current Assets	8,006,299	7,383,902
Property, plant and equipment (Net)	15,733,587	14,739,721
Property and leasehold improvements	623,529	625,069
Assets by right of use	1,316,583	1,296,365
Intangible assets other than goodwill	6,277,998	6,277,998
Deferred tax assets	84,446	182,363
Other non-current non-financial assets	341,688	418,497
Total noncurrent assets	24,377,831	23,540,013
Total Assets	32,384,130	30,923,915
Trade payables	4,419,654	4,299,959
Taxes payable	254,000	213,364
Short-term lease liabilities	67,501	64,643
Total current provisions	516,305	337,072
Current Liabilities	5,257,460	4,915,038
Long-term lease liabilities	1,344,577	1,295,134
Provisions for employee long term benefits	153,274	143,218
Deferred tax liabilities	623,863	426,854
Total long-term liabilities	2,121,714	1,865,206
Total Liabilities	7,379,174	6,780,244
Capital Stock	1,966,662	1,966,662
Share issuance	264,724	264,724
Total Earned Capital	21,087,135	20,152,650
Other comprehensive income	1,686,435	1,759,635
Total controlling interest	25,004,956	24,143,671
Stock Holders' Equity	25,004,956	24,143,671
Total liabilities and stockholders' equity	32,384,130	30,923,915

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

(In thousands Mexican pesos as of September 30, 2021)

Operation Activities	2021	2020
Earnings (Loss) net	1,113,107	1,188,408
Adjustments to reconcile earnings	2021	2020
Taxes payable	294,926	222,367
Financial income & expense	32,373	1,572
Depreciation and amortization expenses	816,770	749,616
Provisions	23,872	19,745
Income from disposal of current assets	2,473	3,460
Decrease (increase) in inventories	(444,517)	47,930
Decrease of clients	36,046	46,375
Increases in other receivables arising from operating activities	(297,735)	(126,882)
Increase (decrease) on suppliers	(28,602)	79,085
Increase (decrease) in other accounts payable	354,638	213,899
Total adjustments to reconcile profit	790,244	1,257,167
Net cash flows used in operations	1,903,351	2,445,575
Taxes on profits (paid)	37,943	(34,359)
Resources provided by operation activities	1,865,408	2,479,934
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	2,902	6,561
Purchases of property, plant and equipment	1,603,537	1,307,924
Long-term purchases of other equipment	5,555	6,237
Interests income	81,416	111,081
Net cash flow from investment activities	(1,524,774)	(1,470,519)
Cash flows from (used) in financing activities	2021	2020
Payments for acquiring or redeeming the entity's shares	45,868	(100,654)
Payments of lease liabilities	58,406	64,879
Dividends paid	205,955	432,584
Interest paid	113,789	112,653
Net cash flows from (used) in financing activities	(424,018)	(509,462)
Cash flow from investing activities	(83,384)	499,953
Financing activities	2021	2020
Increase/decrease in cash and temporary investments	(83,384)	499,953
Cash and temporary investments at beginning of year	3,040,366	2,391,412
Cash and temporary investments at the end of year	2,956,982	2,891,365