

**Sales and EBITDA of \$8,777 and \$1,786 million pesos.
 Net Debt to Ebitda ratio of 2.4x. Capex \$352 million pesos.**

Figures in millions of nominal Mexican Pesos. Figures may vary due to rounding.
 Figures calculated under IFRS.

Income Statement	2 Q	2 Q	
	2018	2019	Var %
Net Sales	4,368	4,299	-2%
Cost of Sales	2,608	2,537	-3%
Gross Profit	1,760	1,762	0%
Gross Margin	40%	41%	
Operating Expenses	1,056	1,084	3%
Operating Income	662	684	3%
Operating Margin	15%	16%	
EBITDA	819	869	6%
EBITDA Margin	19%	20%	
Comprehensive Financing Cost	680	90	
Net Income	-53	369	-796%
Net Margin	-1%	9%	

YTD	YTD	
2018	2019	Var %
8,652	8,777	1%
5,108	5,219	2%
3,544	3,559	0%
41%	41%	
2,087	2,197	5%
1,418	1,413	0%
16%	16%	
1,731	1,786	3%
20%	20%	
306	158	-49%
762	762	0%
9%	9%	

	2 Q	2 Q	
	2018	2019	Var %
Foreign Sales	1,446	1,331	-8%

YTD	YTD	
2018	2019	Var %
2,848	2,649	-7%

	DEC	JUN	
	2018	2019	Var %
Net Debt	7,864	8,300	6%
Net Debt / EBITDA ⁽¹⁾	2.4	2.4	
Capex ⁽²⁾	309	352	

(1) Ebitda Last Twelve Months.

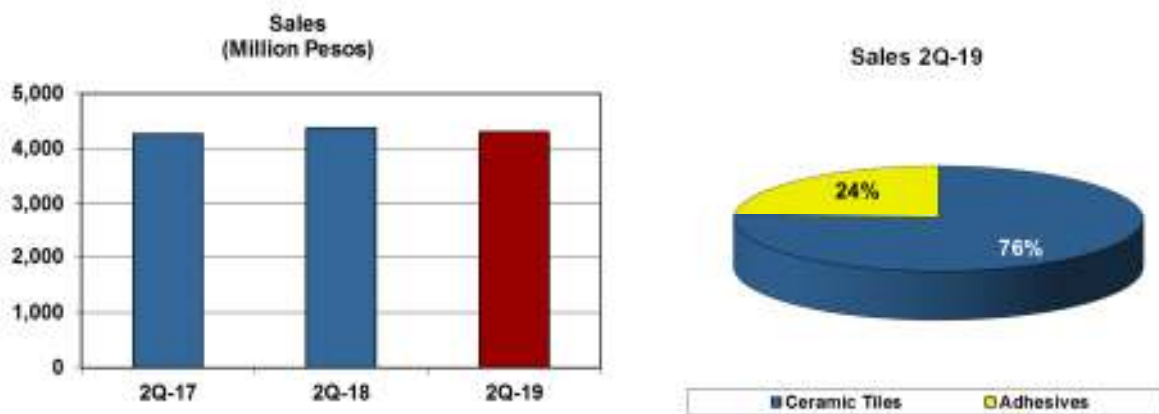
(2) Refers to year-to-date investments as of June.

San Pedro Garza García, Nuevo León, México, July 25th, 2019. Grupo Lamosa, announces its results related to the second quarter of 2019.

Figures in millions of Mexican Pesos. Figures may vary due to rounding.

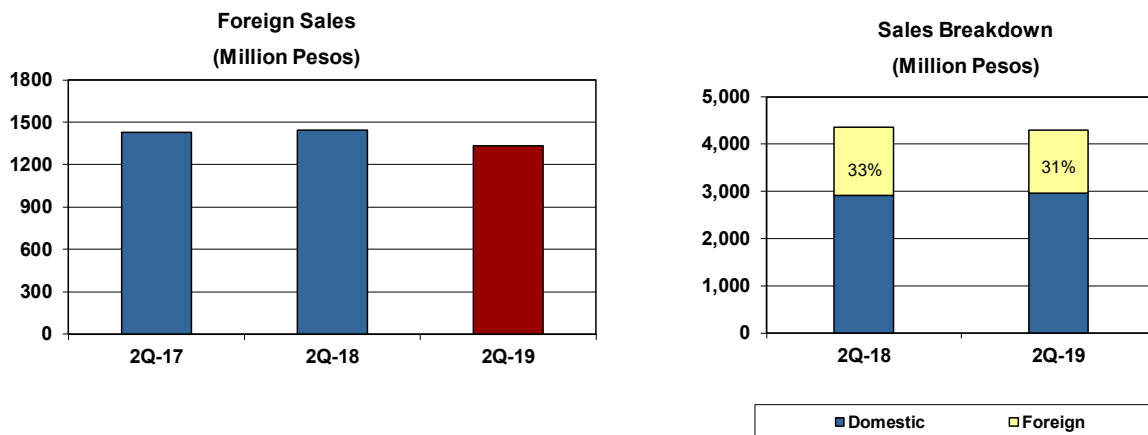
SALES

Grupo Lamosa ended up the first semester of 2019 with total sales of \$ 8,777 million pesos, showing a 1% growth in relation to sales of \$ 8,652 million corresponding to the same period of the previous year. The increase in the consolidated income was driven by the favorable performance achieved in the national market, despite the deterioration shown by the construction sector in Mexico, given the lack of public spending on infrastructure and building works.



FOREIGN SALES

Foreign sales during the first six months of the year amounted to \$ 2,649 million pesos, representing 30% of total sales and a 7% reduction when compared to sales of \$ 2,848 million posted during the same period of 2018.



PERFORMANCE PER BUSINESS SEGMENT

	Ceramic Tiles			Adhesives			Total		
	2Q-18	2Q-19	Var	2Q-18	2Q-19	Var	2Q-18	2Q-19	Var
Total Sales	3,401	3,257		968	1,042		5,192	5,191	
Intersegment Sales	0	0		-1	0		-824	-892	
Net Sales	3,401	3,257	-4%	967	1,042	8%	4,368	4,299	-2%
EBIT	481	477	-1%	188	223	18%	662	684	3%
Dep. Amort. & Asset impairment	134	157	17%	9	13	51%	157	185	18%
EBITDA	615	634	3%	197	236	20%	819	869	6%
%	18%	19%		20%	23%		19%	20%	

	Ceramic Tiles			Adhesives			Total		
	Jun-18	Jun-19	Var	Jun-18	Jun-19	Var	Jun-18	Jun-19	Var
Total Sales	6,726	6,695		1,928	2,083		10,384	10,613	
Intersegment Sales	0	0		-2	0		-1,732	-1,836	
Net Sales	6,726	6,695	0%	1,926	2,083	8%	8,652	8,777	1%
EBIT	1,022	978	-4%	410	463	13%	1,418	1,413	0%
Dep. Amort. & Asset impairment	270	318	18%	17	25	47%	312	373	19%
EBITDA	1,292	1,296	0%	427	488	14%	1,731	1,786	3%
%	19%	19%		22%	23%		20%	20%	

CERAMIC TILE BUSINESS

The wall and floor tiles business sales during the first half of the year amounted to \$ 6,695 million pesos, representing 76% of total sales, and slightly below the \$ 6,726 million recorded during the first half of 2018.

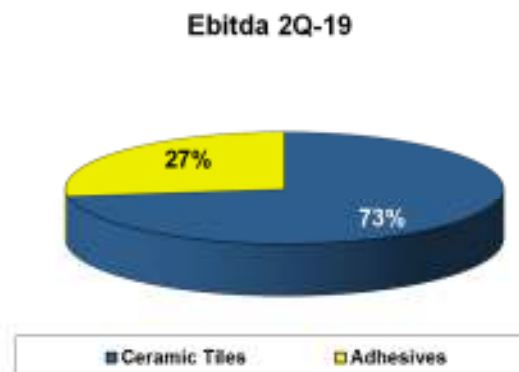
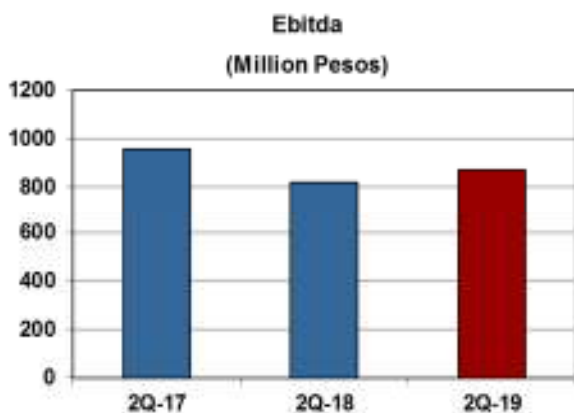
ADHESIVES BUSINESS

The adhesives business recorded accumulated revenues of \$ 2,083 million pesos during the first six months of the year, a figure that represented 24% of total sales and an increase of 8% when compared to sales of \$ 1,926 million posted during the same period of the previous year.

OPERATING INCOME

Grupo Lamosa recorded an operating income at the end of the first half of the year of \$ 1,413 million pesos, representing a sales margin of 16% and a figure similar to \$ 1,418 million posted during the first half of 2018. This result was obtained despite the lack of growth in the industry and significant increases in the main business inputs.

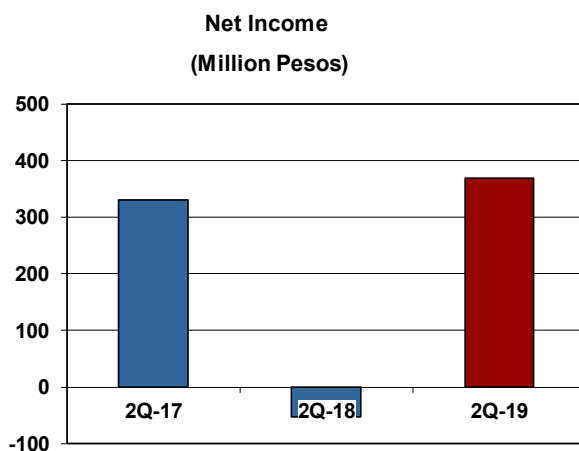
The company's Ebitda stood at \$ 1,786 million pesos during the first half of the year, representing a sales margin of 20% and a 3% growth when compared to the Ebitda of \$ 1,731 million recorded during the same period of 2018.



NET INCOME

The comprehensive financing cost showed a 49% reduction during the first half of the year, standing at \$ 158 million pesos when compared to the \$ 306 million recorded during the first half of 2018. This reduction was mainly due to the recording of a foreign exchange gain of \$ 138 million pesos, derived from the 3% appreciation of the Mexican peso against the US dollar, comparing favorably with an exchange loss of \$ 24 million recorded at the end of the first half of 2018.

Net income during the first six months of the year ascended to \$ 762 million pesos, a figure equal to the net profit posted during the same period of the previous year, and showing a sales margin of 9%. Despite the greater tax burden during the first half of the year, when registering \$ 494 million pesos when compared to \$ 350 million recorded in the first half of 2018, such increase was offset by the reduction showed in the comprehensive financing cost.

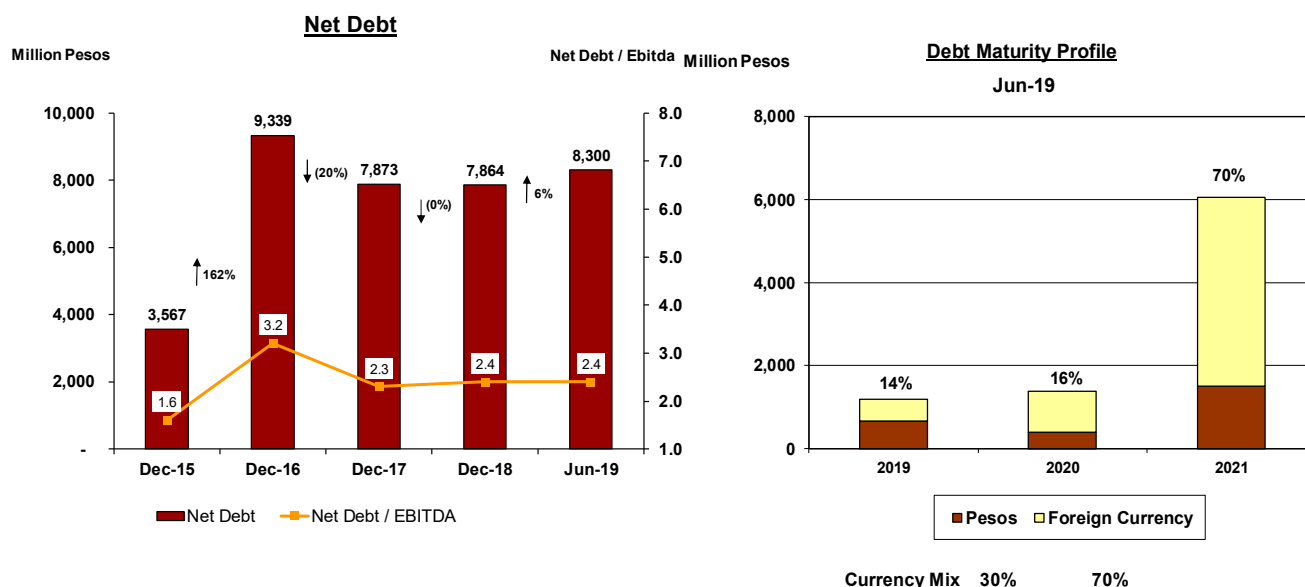


Net Comprehensive Financing Cost			
	<u>Jun-18</u>	<u>Jun-19</u>	<u>VAR</u>
NET FINANCIAL EXPENSE	288	339	18%
EXCHANGE (GAIN) LOSS	24	(138)	-684%
MONETARY POSITION GAIN	(5)	(43)	815%
	306	158	-49%

FINANCIAL PERFORMANCE

Grupo Lamosa kept its pace during the first half of the year in relation to the investment plan. The investments carried out during that period were \$ 352 million pesos, 14% higher than the investments of \$ 309 million recorded during the first half of 2018. The investments made were mainly aimed at growth and productivity improvements, as well as the implementation of information technologies to continue strengthening operations in South America.

At the end of the first half of 2019, the company maintained its flow generation capacity, as well as a healthy financial structure. The net debt to Ebitda ratio was 2.4 times, equal to the level of leverage recorded at the end of 2018. The consolidated net debt amounted to \$ 8,300 million pesos showing a 6% increase when compared to the net debt of \$ 7,864 million recorded at the end of 2018.



The results achieved during the first half of the year were challenging, given the environment of lower growth in the construction sector in Mexico. The positioning achieved by Grupo Lamosa throughout the Americas, will continue to capitalize on opportunities and expand its growth in Mexico and abroad.

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