

Sales and EBITDA of \$13,165 and \$2,572 million pesos, showing a year to date growth of 1% and -1%, respectively.
Net Debt to Ebitda ratio of 2.5x. Capex \$426 million pesos.

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

Income Statement	3 Q	3 Q	
	2018	2019	Var %
Net Sales	4,432	4,447	0%
Cost of Sales	2,708	2,664	-2%
Gross Profit	1,724	1,783	3%
Gross Margin	39%	40%	
Operating Expenses	1,055	1,150	9%
Operating Income	678	607	-10%
Operating Margin	15%	14%	
EBITDA	858	790	-8%
EBITDA Margin	19%	18%	
Comprehensive Financing Cost	-137	448	-427%
Net Income	489	48	-90%
Net Margin	11%	1%	

YTD	YTD	
2018	2019	Var %
13,001	13,165	1%
7,756	7,836	1%
5,246	5,329	2%
40%	40%	
3,125	3,335	7%
2,094	2,018	-4%
16%	15%	
2,585	2,572	-1%
20%	20%	
171	606	254%
1,248	808	-35%
10%	6%	

	3 Q	3 Q	
	2018	2019	Var %
Foreign Sales	1,397	1,306	-7%

YTD	YTD	
2018	2019	Var %
4,163	3,895	-6%

	DEC	SEP	
	2018	2019	Var %
Net Debt	7,864	8,173	4%
Net Debt / EBITDA ⁽¹⁾	2.4	2.5	
Capex ⁽²⁾	632	426	

(1) Ebitda Last Twelve Months.

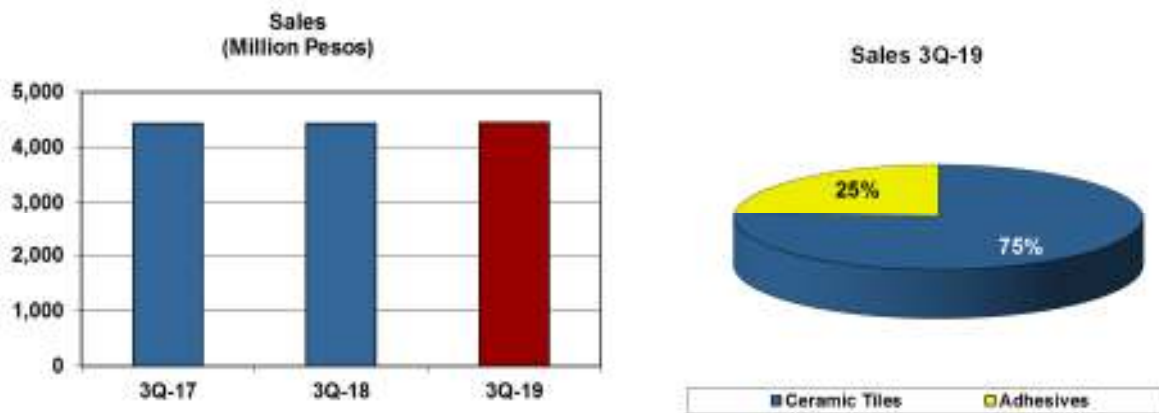
(2) Referes to year-to-date investments as of September.

San Pedro Garza García, Nuevo León, México, October 28th, 2019. Grupo Lamosa, announces its results related to the third quarter of 2019.

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

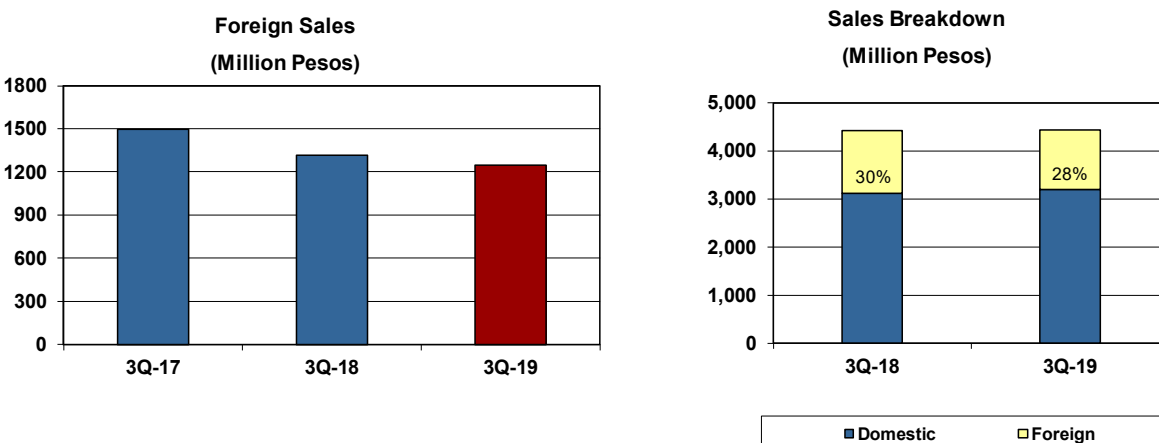
SALES

Grupo Lamosa's nine months sales ended September 2019 amounted to \$13,165 million pesos, a slight increase of 1% in relation to sales of \$ 13,001 million posted during the nine months of 2018. This increase was reached despite the low economic growth in Mexico and the contraction shown by construction and building sectors.



FOREIGN SALES

Foreign sales recorded at the end of the third quarter of the year were \$3,895 million pesos, an amount that represented 30% of total sales, and a 6% decrease when compared to sales of \$4,163 million corresponding to the same period of the prior year.



PERFORMANCE PER BUSINESS SEGMENT

	Ceramic Tiles			Adhesives			Total		
	3Q-18	3Q-19	Var	3Q-18	3Q-19	Var	3Q-18	3Q-19	Var
Total Sales	3,397	3,327		1,035	1,119		4,432	4,447	
Intersegment Sales	0	0		0	0		0	0	
Net Sales	3,397	3,327	-2%	1,034	1,119	8%	4,432	4,447	0%
EBIT	435	381	-12%	244	246	1%	678	607	-10%
Dep. Amort. & Asset impairment	156	147	-6%	10	11	12%	180	183	2%
EBITDA	591	528	-11%	253	257	2%	858	790	-8%
%	17%	16%		24%	23%		19%	18%	

	Ceramic Tiles			Adhesives			Total		
	Sep-18	Sep-19	Var	Sep-18	Sep-19	Var	Sep-18	Sep-19	Var
Total Sales	10,041	9,962		2,963	3,202		14,734	15,000	
Intersegment Sales	0	0		-2	0		-1,732	-1,836	
Net Sales	10,041	9,962	-1%	2,960	3,202	8%	13,001	13,165	1%
EBIT	1,454	1,356	-7%	654	709	8%	2,094	2,018	-4%
Dep. Amort. & Asset impairment	425	464	9%	27	36	34%	491	554	13%
EBITDA	1,879	1,820	-3%	681	745	10%	2,585	2,572	-1%
%	19%	18%		23%	23%		20%	20%	

CERAMIC TILE BUSINESS

The sales of Wall and Floor Tile business during the first nine months of the year totaled \$9,962 million pesos, a figure that represented 76% of total sales and a 1% reduction in relation to the sales of \$10,041 million posted during the same period of 2018.

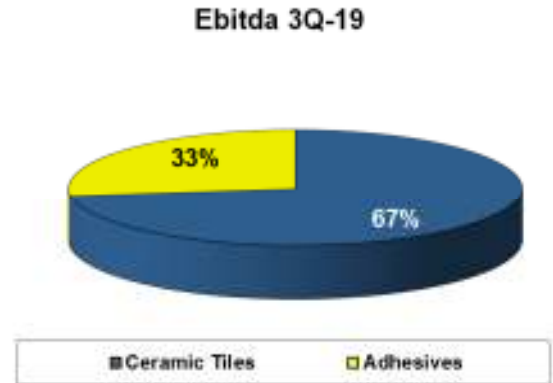
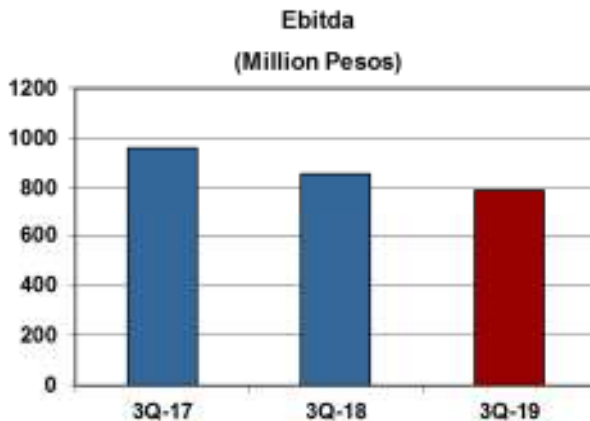
ADHESIVES BUSINESS

Adhesives business' sales for the nine months of 2019 were \$3,202 million pesos, representing 24% of total sales and an increase of 8% when compared to sales of \$2,960 million recorded during the same period of the last year.

OPERATING INCOME

Lower sales abroad and extraordinary operating expenses during the third quarter of the year led to an unfavorable impact on the operating result. Operating income amounted to \$2,018 million pesos, representing a 15% sales margin and a 4% decrease when compared to \$2,094 million recorded during the same period of 2018.

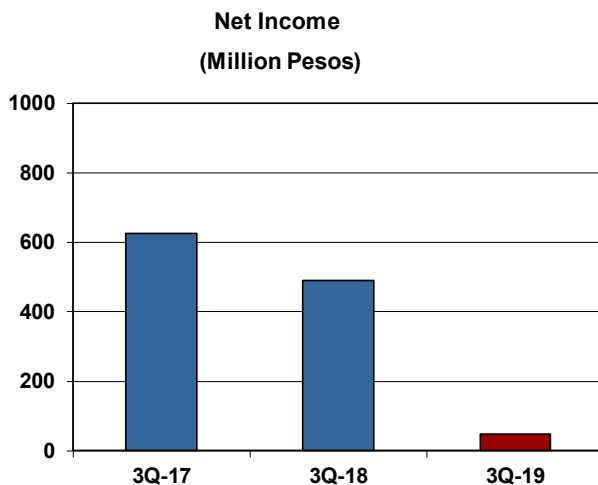
The accumulated Ebitda at the end of the third quarter of the year was \$2,572 million pesos, showing a 1% reduction in relation to the Ebitda of \$ 2,585 million recorded during the nine months of 2018. It is worth to mention that at the end of the third quarter of the year the margin Ebitda to sales remained at 20%, similar to the margin recorded at the end of the third quarter of 2018.



NET INCOME

According to the International Financial Reporting Standards, during the third quarter of the year, Grupo Lamosa reflected in the financial expenses item \$78 million pesos corresponding to amortized expenses related to commissions of a syndicated loan, which was partially refinanced during the third quarter. Thus, net financial expenses went from \$438 million pesos at the end of the third quarter of 2018 to \$549 million pesos at the end of the third quarter of the current year. Similarly, the devaluation of the peso against the dollar close to 2% during the first nine months of the year, resulted in an accumulated foreign exchange loss of \$121 million pesos at the end of the third quarter of the year, comparing unfavorably with a foreign exchange gain of \$253 million recorded at the end of the third quarter of 2018. The aforementioned derived in a growth of 254% in the comprehensive financing result, going from \$171 million pesos at the end of the third quarter of 2018 to \$606 million pesos at the end of the third quarter of this year.

Notwithstanding the 10% reduction shown in taxes during the first nine months of the year, the increase in the comprehensive financing result and the lower operating results unfavorably impacted the company's net result. The accumulated net income at the end of the third quarter of the year was \$808 million pesos, showing a margin to sales of 6% and a 35% reduction when compared to the net income of \$1,248 million recorded during the same period of 2018.

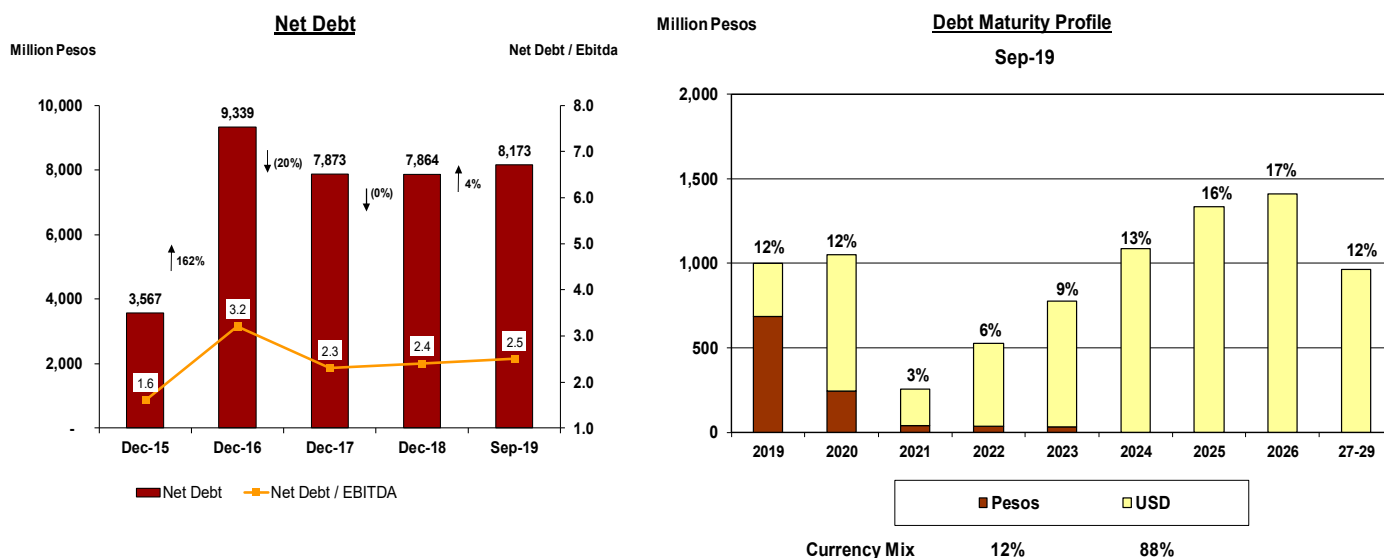


Net Comprehensive Financing Cost			
	<u>Sep-18</u>	<u>Sep-19</u>	<u>VAR</u>
NET FINANCIAL EXPENSE	438	549	25%
EXCHANGE (GAIN) LOSS AND OTHERS	(267)	57	-121%
	171	606	254%

FINANCIAL PERFORMANCE

During the third quarter of the year, the company carried out the refinancing of approximately 75% of its consolidated debt, improving the maturity profile through different financing schemes with terms of 7 and 10 years of maturity, allowing to extend the average debt term and optimize the financial cost of the company. The net debt at the end of the third quarter of the year was \$8,173 million pesos, showing a 4% increase compared to the \$7,864 net debt recorded at the end of 2018. The net debt to Ebitda ratio last twelve months at the end of the third quarter of the year stood at 2.5 times, compared to the ratio of 2.4 times recorded at the end of 2018.

The capex made during the first nine months of the year were \$426 million pesos, aimed at improvements in productivity, as well as the implementation of information technologies to continue strengthening operations in South America.



Grupo Lamosa has been able to maintain its level of income as well as its capacity to generate cash flow, in a context of low economic growth caused by the uncertainty prevailing in Mexico and other countries where the company has a presence. The positioning achieved by the company and its sound financial structure are factors that will allow to continue with the Company's growth strategy.

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