

**Sales and EBITDA growth of 1% and 6%, respectively. Net Debt Reduction of 10%. Capex \$540 million pesos.**

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

<b>Income Statement</b>	<b>4 Q</b>	<b>4 Q</b>	
	<b>2018</b>	<b>2019</b>	<b>Var %</b>
Net Sales	4,726	4,744	0%
Cost of Sales	2,946	2,795	-5%
Gross Profit	1,780	1,949	9%
Gross Margin	38%	41%	
Operating Expenses	1,118	1,136	2%
Operating Income	637	792	24%
Operating Margin	13%	17%	
EBITDA	728	948	30%
EBITDA Margin	15%	20%	
Comprehensive Financing Cost	477	-117	-125%
Net Income	107	751	601%
Net Margin	2%	16%	

<b>YTD</b>	<b>YTD</b>	
<b>2018</b>	<b>2019</b>	<b>Var %</b>
17,727	17,928	1%
10,701	10,646	-1%
7,026	7,282	4%
40%	41%	
4,243	4,474	5%
2,731	2,812	3%
15%	16%	
3,314	3,523	6%
19%	20%	
648	492	-24%
1,355	1,427	5%
8%	8%	

	<b>4 Q</b>	<b>4 Q</b>	
	<b>2018</b>	<b>2019</b>	<b>Var %</b>
Foreign Sales	1,383	1,332	-4%

<b>YTD</b>	<b>YTD</b>	
<b>2018</b>	<b>2019</b>	<b>Var %</b>
5,625	5,247	-7%

	<b>DEC</b>	<b>DEC</b>	
	<b>2018</b>	<b>2019</b>	<b>Var %</b>
Debt	7,864	7,079	-10%
Net Debt / EBITDA <sup>(1)</sup>	2.4	2.0	
Capex <sup>(2)</sup>	757	540	

(1) Ebitda: Operating income plus depreciation, amortization and assets impairment.

(2) Referes to year-to date investiments as of December.

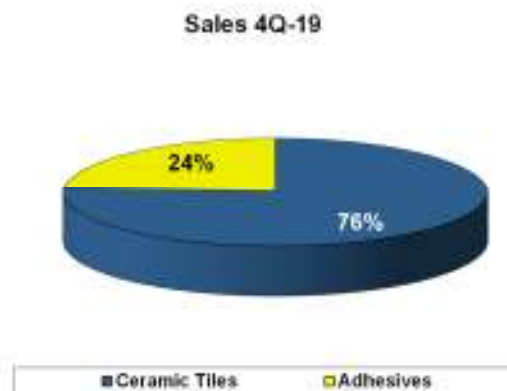
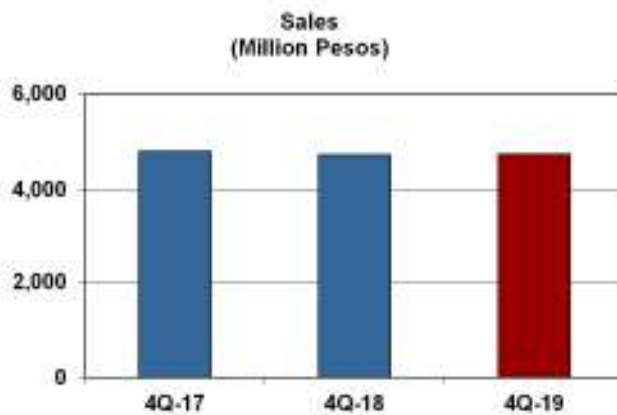
Operating results achieved by Grupo Lamosa during 2019 showed satisfactory performance, considering the lack of economic growth and the slump of the construction industry in Mexico.

San Pedro Garza García, Nuevo León, México, February 25th, 2020. Grupo Lamosa, announces its results related to the fourth quarter of 2019.

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

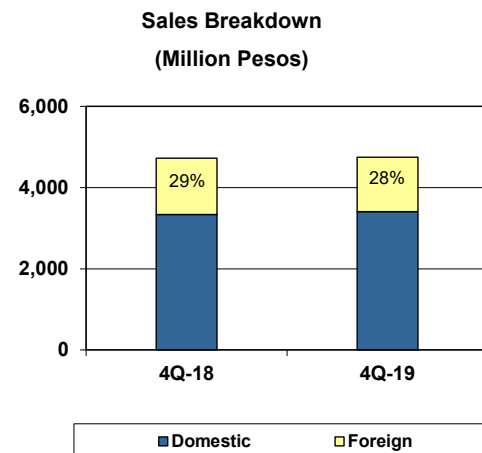
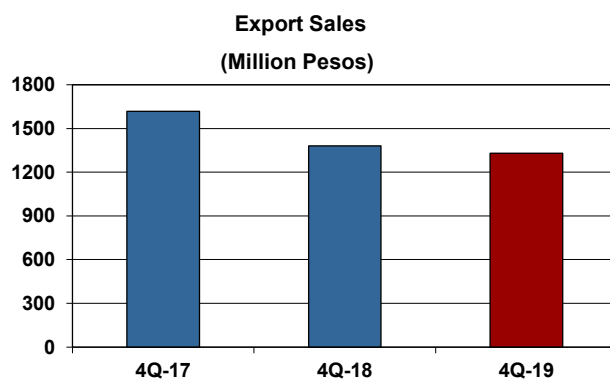
## SALES

Total sales amounted to \$17,928 million pesos, a growth of 1% in relation to sales of \$17,727 million obtained in 2018.



## FOREIGN SALES

Foreign sales recorded during 2019 were \$ 5,247 million pesos, an amount that represented 29% of total sales and a decrease of 7% compared to sales of \$ 5,625 million corresponding to the same period of the previous year.



**PERFORMANCE PER BUSINESS SEGMENT**

	Ceramic Tiles			Adhesives			Total		
	4Q-18	4Q-19	Var	4Q-18	4Q-19	Var	4Q-18	4Q-19	Var
<b>Total Sales</b>	3,647	3,593		1,079	1,151		5,626	5,637	
<b>Intersegment Sales</b>	0	0		0	0		-900	-893	
<b>Net Sales</b>	3,647	3,593	-1%	1,079	1,151	7%	4,726	4,744	0%
<b>EBIT</b>	351	557	59%	286	292	2%	637	792	24%
<b>Dep. Amort. &amp; Asset Impairment</b>	72	125	74%	8	16	107%	91	157	73%
<b>EBITDA</b>	422	682	61%	294	308	5%	728	948	30%
<b>%</b>	12%	19%		27%	27%		15%	20%	

	Ceramic Tiles			Adhesives			Total		
	2018	2019	Var	2018	2019	Var	2018	2019	Var
<b>Total Sales</b>	13,688	13,575		4,041	4,353		21,211	21,567	
<b>Intersegment Sales</b>	0	0		-2	0		-3,484	-3,639	
<b>Net Sales</b>	13,688	13,575	-1%	4,039	4,353	8%	17,727	17,928	1%
<b>EBIT</b>	1,804	1,916	6%	940	1,002	7%	2,731	2,812	3%
<b>Dep. Amort. &amp; Asset Impairment</b>	497	589	19%	35	52	51%	582	711	22%
<b>EBITDA</b>	2,301	2,505	9%	974	1,054	8%	3,314	3,523	6%
<b>%</b>	17%	18%		24%	24%		19%	20%	

**CERAMIC TILE BUSINESS**

The wall and floor tile business sales during 2019 represented 76% of Grupo Lamosa's consolidated sales, remaining practically at a level similar to the previous year. Accumulated business sales at the end of the fourth quarter of the year were \$13,575 million pesos, 1% less than the sales of \$13,688 posted in 2018.

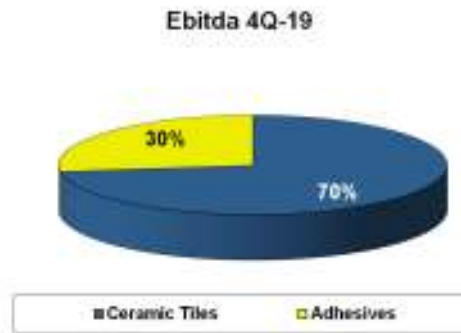
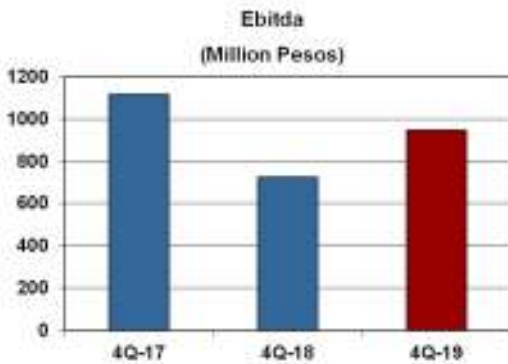
**ADHESIVES BUSINESS**

The adhesives business recorded accumulated income in 2019 for \$4,353 million pesos, a figure that represented 24% of total sales and an increase of 8% when compared to sales of \$4,039 million during the previous year.

**OPERATING INCOME**

The efforts made in the Grupo Lamosa's businesses to capitalize synergies and make its operations increasingly efficient, allowed to end the year with growth in the operating result of the business and an increase in the operating margin to sales. The operating profit for 2019 was \$2,812 million pesos, showing a growth of 3% compared to the profit of \$2,731 million in 2018. The margin of operating income to sales went from 15% in 2018 to 16% in 2019.

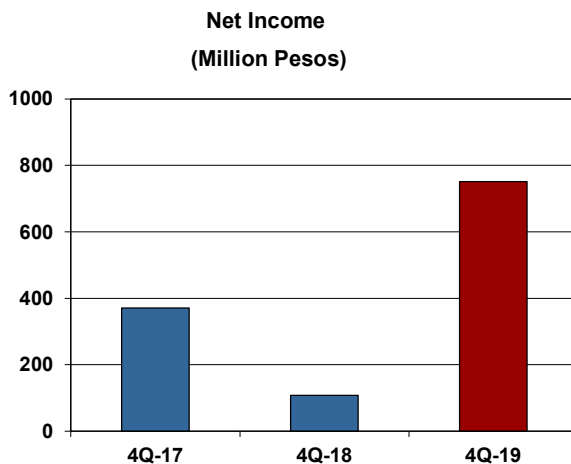
The accumulated Ebitda at the end of the fourth quarter was \$3,523 million pesos, showing a growth of 6% in relation to the Ebitda of \$3,314 million registered during 2018. Likewise, the Ebitda margin to total sales was 20% at the closing of 2019, comparing favorably with the 19% margin recorded at the end of the previous year.



## NET INCOME

The appreciation of the peso against the US dollar at the end of the year of approximately 4% resulted in a favorable impact on the comprehensive financing result, posting an exchange gain of \$155 million pesos compared to an exchange loss of \$72 million registered in 2018. This exchange gain offset the increase in net financial expense that went from \$607 million pesos in 2018 to \$723 million in 2019, allowing a comprehensive financing result of \$492 million pesos, comparing favorably with the result of \$648 million at the end of 2018.

The favorable reduction in the comprehensive financing result and the growth in operating results, offset the higher tax burden during the year, favorably impacting the net profit for the year. The net result at the end of the year was \$1,427 million pesos, showing a growth of 5% compared to the net profit of \$1,355 million recorded in 2018. The ratio of net profit to sales remained at 8%, the same as in 2018.



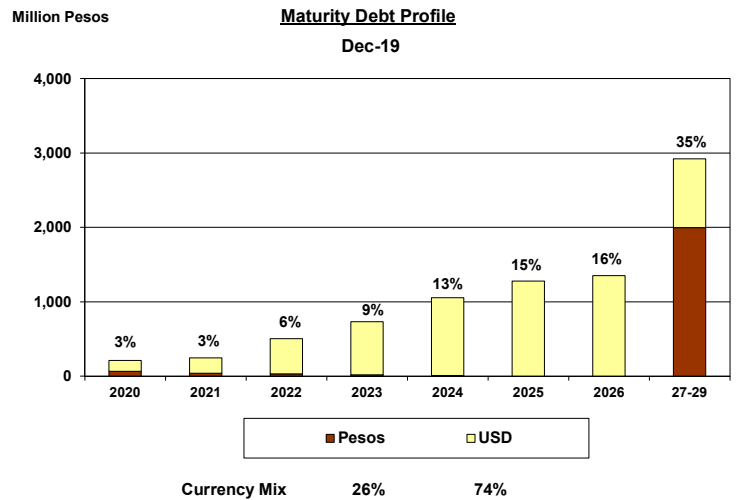
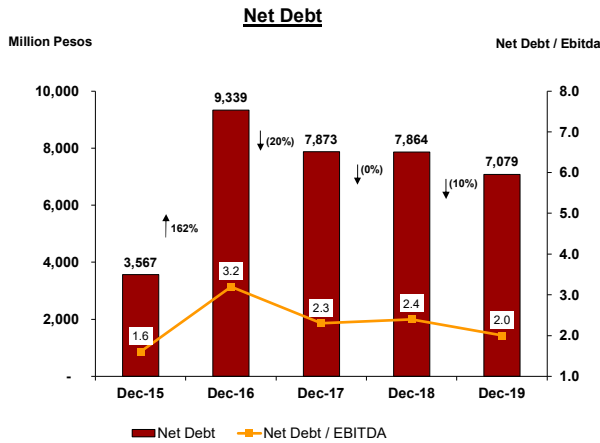
<b>Net Comprehensive Financing Cost</b>			
	<u>2017</u>	<u>2018</u>	<u>VAR</u>
<b>NET FINANCIAL EXPENSE AND OTHERS</b>	576	647	12%
<b>EXCHANGE (GAIN) LOSS</b>	72	(155)	-315%
	<b>648</b>	<b>492</b>	<b>-24%</b>

YTD figures.

## FINANCIAL PERFORMANCE

Grupo Lamosa maintained its cash flow generation capacity throughout the year, which allowed it to continue paying its operating and financial obligations. During the year, investments of \$540 million pesos were made, which were mainly aimed at maintaining the company's productive operations, as well as information technologies focused on strengthening operations in South America.

The net debt of the company showed a significant reduction of 10% at the end of the year with a balance of \$7,079 million pesos, compared to the net debt of \$ 7,864 million at the end of 2018. The ratio of net debt to Ebitda in 2019 was 2.0 times, comparing favorably with the ratio of 2.4 times of the previous year.



The refinancing of the consolidated debt of Grupo Lamosa and the growth in operating results in a challenging environment such as 2019, allowed to shield the financial structure of the company to continue supporting the growth strategy, in Mexico and abroad.

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