

## Sales and EBITDA Growth of 3% and 1%, respectively

### Sound financial structure to support Company's growth strategy

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

Income Statement	3 Q		Var %
	2019	2020	
Net Sales	4,447	5,644	27%
Cost of Sales	2,664	3,206	20%
Gross Profit	1,783	2,438	37%
Gross Margin	40%	43%	
Operating Expenses	1,150	1,222	6%
Operating Income	607	1,212	100%
Operating Margin	14%	21%	
EBITDA	790	1,394	77%
EBITDA Margin	18%	25%	
Comprehensive Financing Cost	448	-32	-107%
Net Income	48	886	1761%
Net Margin	1%	16%	

YTD	YTD		Var %
	2019	2020	
Net Sales	13,165	13,571	3%
Cost of Sales	7,836	7,997	2%
Gross Profit	5,329	5,574	5%
Gross Margin	40%	41%	
Operating Expenses	3,335	3,361	1%
Operating Income	2,018	2,099	4%
Operating Margin	15%	15%	
EBITDA	2,572	2,586	1%
EBITDA Margin	20%	19%	
Comprehensive Financing Cost	606	1,479	144%
Net Income	808	411	-49%
Net Margin	6%	3%	

Foreign Sales	3 Q		Var %
	2019	2020	
Foreign Sales	1,306	1,785	37%

YTD	YTD		Var %
	2019	2020	
Foreign Sales	3,895	3,811	-2%

Net Debt	DEC		Var %
	2019	2020	
Net Debt	7,079	7,120	1%
Net Debt / EBITDA <sup>(1)</sup>	2.0	2.0	
Capex <sup>(2)</sup>	352	242	

(1) Ebitda Last Twelve Months.

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

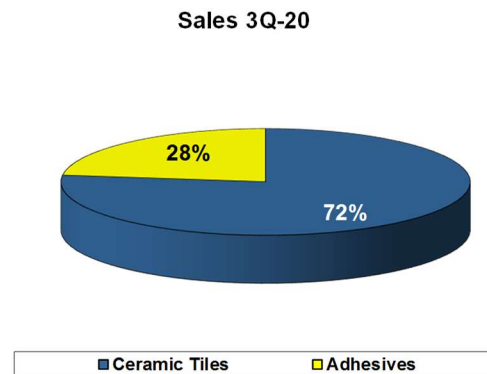
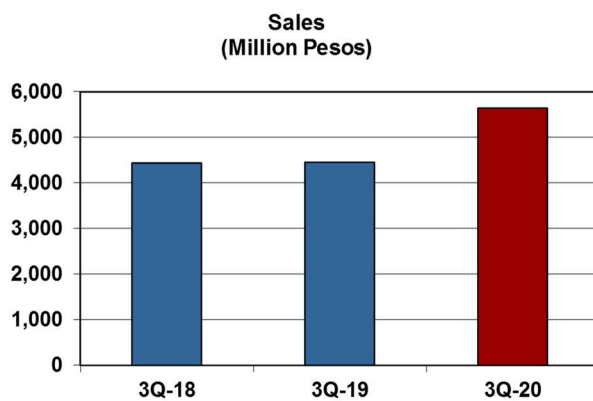
The gradual reopening of activities during the third quarter of the year, both in Mexico and in the countries in South America where Grupo Lamosa operates, made it possible to resume the company's growth track. The greater dynamism of the market contributed to record figures during that quarter, achieving increases in results and improvements in operating margins. This allowed the company to compensate to a greater degree the results of the second quarter of the year, which was affected by the measures taken in response to the COVID-19 pandemic.

**San Pedro Garza García, Nuevo León, México, October 26th, 2020.** Grupo Lamosa, announces its results related to the third quarter of 2020.

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

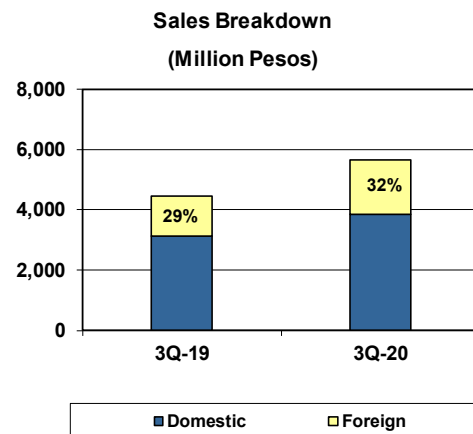
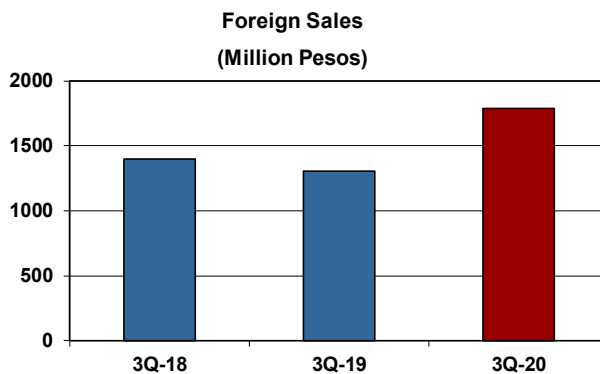
## SALES

Year-to-date sales at the end of the third quarter totaled \$13,571 million pesos, showing a 3% growth over the \$13,165 million sales recorded during the nine months of 2019, driven by domestic sales, which showed a 5% growth.



## FOREIGN SALES

Sales abroad during the first nine months of the year were \$3,811 million pesos, showing a 2% reduction compared to sales \$3,895 million during the same period of the previous year. The recovery of operations in South America during the third quarter largely compensated for the effects of the shutdown in the second quarter of the year due to the health emergency.



At the end of the third quarter, Grupo Lamosa's businesses showed growth in their results.

## PERFORMANCE PER BUSINESS SEGMENT

	CERAMIC TILES			ADHESIVES			TOTAL		
	Sep-19	Sep-20	Var	Sep-19	Sep-20	Var	Sep-19	Sep-20	Var
<b>Sales</b>	9,962	10,163	2%	3,202	3,407	6%	13,165	13,571	3%
<b>EBIT</b>	1,356	1,461	8%	709	812	15%	2,018	2,099	4%
<b>Dep. y Amort.</b>	464	396	-15%	36	43	18%	554	488	-12%
<b>EBITDA</b>	1,820	1,857	2%	745	855	15%	2,572	2,586	1%
<b>%</b>	18%	18%		23%	25%		20%	19%	

	CERAMIC TILES			ADHESIVES			TOTAL		
	3Q-19	3Q-20	Var	3Q-19	3Q-20	Var	3Q-19	3Q-20	Var
<b>Sales</b>	3,327	4,353	31%	1,119	1,291	15%	4,447	5,644	27%
<b>EBIT</b>	381	916	141%	246	343	39%	607	1,212	100%
<b>Dep. y Amort.</b>	147	151	2%	11	15	42%	183	182	0%
<b>EBITDA</b>	528	1,067	102%	257	358	39%	790	1,394	77%
<b>%</b>	16%	25%		23%	28%		18%	25%	

## CERAMIC TILE BUSINESS

The Wall and Floor Tiles business achieved accumulated sales of \$10,163 million pesos at the end of the third quarter, which represented 75% of the company's consolidated sales, and 2% growth compared to sales of \$9,962 million recorded during the first nine months of 2019.

## ADHESIVES BUSINESS

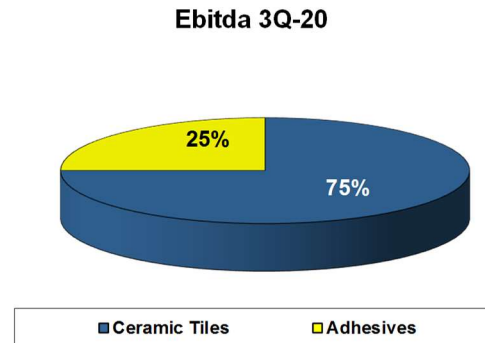
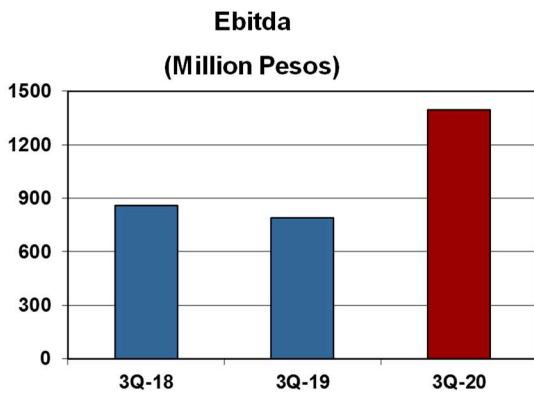
Sales of the Adhesives business during the first nine months of the year represented 25% of the company's total sales, amounting to \$3,407 million, 6% higher than the sales of \$3,202 million recorded during the same period in 2019.

## OPERATING INCOME

The higher level of income from the company's businesses, together with the measures implemented to minimize the impact of the pandemic, which were largely related to expense control, contributed favorably to the company's operating results. Accumulated operating income at the end of third quarter of the year ascended to \$2,099 million pesos, showing a sales margin of 15%, and 4% growth compared to the \$2,018 million operating income recorded for the first nine months of 2019.



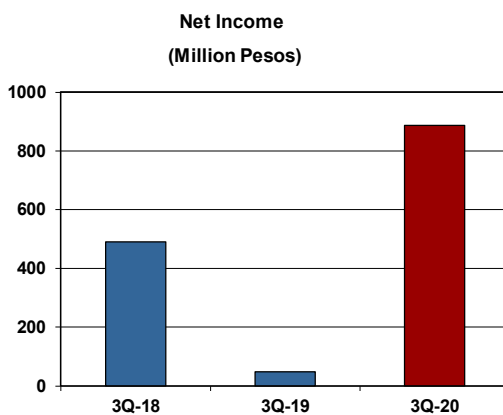
Accumulated Ebitda at the end of the third quarter of 2020 totaled \$2,586 million pesos, a figure that meant a sales margin of 19%, and a similar Ebitda amount of \$2,572 million recorded during the same period of the previous year.



## NET INCOME

The Company's debt refinancing at the end of 2019, with better conditions in terms of maturity profile and financial cost, allowed net financial expenses during the first nine months of the year to amount to \$332 million pesos, showing a significant reduction of 39%, compared to the \$549 million recorded during the same period in 2019. Notwithstanding the above, the comprehensive financing result was affected by the 19% devaluation of the peso against the dollar, implying an exchange loss of \$1,162 million, compared to the exchange loss of \$121 million recorded at the end of the third quarter of the previous year. Thus, the comprehensive financing result during the first nine months of the year amounted to \$1,479 million pesos, an increase of 144% when compared to the \$606 million recorded at the end of the third quarter of 2019.

Despite the growth in operating results and the lower tax burden recorded at the end of the third quarter, the net result was impacted by the exchange loss mentioned above. Net income was \$411 million pesos, showing a sales margin of 3% and a 49% reduction when compared to the net income of \$808 million recorded at the end of the third quarter of 2019.

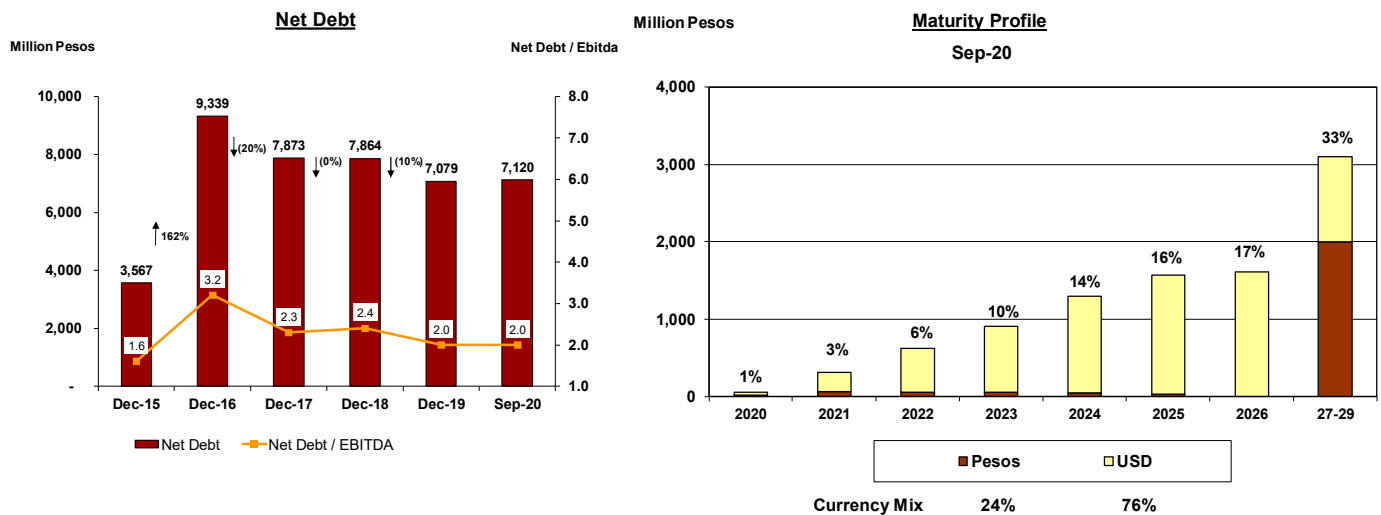


### Net Comprehensive Financing Cost

	Sep-19	Sep-20	VAR
NET FINANCIAL EXPENSE	549	332	-39%
EXCHANGE (GAIN) LOSS AND OTHERS	57	1,147	1911%
	606	1,479	144%

**FINANCIAL PERFORMANCE**

The response capacity of Grupo Lamosa in a timely manner to the recovery of the markets, was reflected in the growth shown in results and in greater cash flow generation. Grupo Lamosa maintained a solid financial structure and an adequate level of leverage to continue driving the company's growth strategy. Net debt at the end of the third quarter was \$7,120 million pesos, a similar amount when compared to the net debt of \$7,079 million recorded at the end of 2019. The net debt to Ebitda ratio for the last twelve months at the end of the third quarter of 2020 was 2.0 times, equal to the level recorded at the end of 2019.



The results achieved by Grupo Lamosa are very encouraging, especially in the context of being immersed in one of the most threatening global pandemics of the last decades, which has disrupted not only the health scope, but also other areas such as the economic, political and social one. Grupo Lamosa has a healthy financial structure and is prepared to continue taking advantage of the opportunities that arise in the markets in which it participates.

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