

Third Quarter 2019 Results

Mexico City, October 23, 2019, Grupo Carso S.A.B. de C.V. ("The Group", "Carso Group" BMV: GCARSO OTC: GPOVY) announced today its results for the third quarter of 2019.

RELEVANT EVENTS

- On July 26, 2019 Grupo Carso informed investors that **signed an agreement for the final settlement of the contract between the Grupo Aeroportuario de la Ciudad de Mexico and the Constructora Terminal Valle de México, S.A. de C.V. (CTVM)** –company in which it participates with 14.27% of the capital through its subsidiary Operadora Cicsa, S.A. de C.V.- for the "construction of the Terminal Building of the New International Airport of Mexico City (NAIM)". With this concludes its participation in the project by recovering the costs incurred in the construction works, engineering and its modifications, and the materials acquired by CTVM during its development.
- On August 27, 2019, Grupo Carso informed investors that in relation to the request for the initiation of the arbitration that the Federal Electricity Commission (CFE) sent to Carso Gasoducto Norte, S.A. de C.V. (CGN) –indirect subsidiary of Grupo Carso- on June 26, **an agreement was reached via the dialogue with the CFE where the rate was leveled by CGN** seeking mutual benefit and better cash-flow situation in the short term. Likewise, the withdrawal of any legal action by both parties was agreed. The gas pipeline continues its construction process.
- On July 16, 2019, PEMEX published the call for an International Electronic Open Contest, in which Operadora Cicsa, S.A. de C.V. (CICSA), was one of the participants. On October 22, 2019, Grupo Carso published that the previous day, October 21, **PEMEX Exploration and Production awarded as winner the consortium formed by its subsidiary CICSA and the company Perrmaducto, S.A. de C.V., a contract for the engineering, procurement and construction of two marine infrastructure units called Maloob-E and Malobb-I**, to be installed in the Sonda de Campeche, in the Gulf of Mexico, for an amount of \$2,418 MM pesos plus USD \$192 MM of which \$1,442 MM pesos correspond to CICSA plus USD \$70 MM. The beginning of the work is subject to the signing of the respective contract.

HIGHLIGHTS

SALES
+ 10.4%

- The **total sales** of Grupo Carso reached Ps. 25,778 MM in the 3Q19, 10.4% above the Ps. 23,345 MM in the 3Q18 having recorded positive effects in all its divisions: Carso Infraestructura y Construcción, Grupo Condomex and Grupo Sanborns increased its sales 36.3%, 10.4% and 1.5%, respectively.
Consolidated **sales for the first nine months of 2019** increased 6.8% reaching Ps. 72,845 MM.

OP. INCOME
+26.2%

EBITDA
+22.1%

**NET
INCOME**
+26.8%

- o The Group's **operating income** went up 26.2%. The profitability of Grupo Condumex and of Carso Infraestructura y Construcción explain this. The latter thanks to higher pipeline installations for Telecom and the recovery of costs incurred and recognized in previous periods related to structures for the NAIM.

The **accumulated operating income** as of September 2019 increased 3.7% from Ps. 7,934 to Ps. 8,227 MM.

- o The **EBITDA** of Grupo Carso totaled Ps. 3,936 MM being 22.1% higher than Ps. 3,225 MM reported in the 3Q18, which corresponded to an EBITDA margin of 15.3%.

EBITDA from January to September 2019 increased 4.8%.

- o Due to variations in the exchange rate during the 3Q19, the **Comprehensive Financing Result (CFR)** represented an expense of Ps. 189 MM, lower compared to Ps. 444 MM recorded in the 3Q18. The **cumulative CFR** was Ps. -833 MM and greater than the CFR of 2018 which totaled Ps. -515 MM.

- o The **Controlling Net Income** was Ps. 2,167 MM compared to Ps. 1,709 in the 3Q18. This increase of 26.8% was due to higher operating results. The **controlling net income for the first nine months** of 2019 increased 3.5%.

- o **Total debt** as of September 30, 2019 was Ps. 12,947 MM decreasing 1.8% compared to the debt at the end of December 2018. **Net Debt** was Ps. 4,860 MM, compared to a net debt of Ps. 4,269 MM as of December 31, 2018.

The amount of **cash and cash-equivalents** in the 3Q19 totaled Ps. 8,087 MM compared to Ps. 8,918 MM at the end of December 2018. This reduction was due to the payment of dividends, investments in fixed assets and investments in associated companies (Miniso), and a higher working capital.

The net-debt-to LTM EBITDA was 0.33 times in the 3Q19, compared to 0.27 times at the end of the 3Q18. The Company has a program of dual stock certificates with authorization on February 17, 2019 for up to Ps. 10,000 MM and of which on March 16, 2018 an issuance of Ps. 3,000 million was carried out, with a maturity of 3 years.

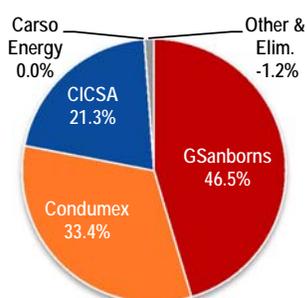
SUMMARY

Amounts in Million Pesos (MM)

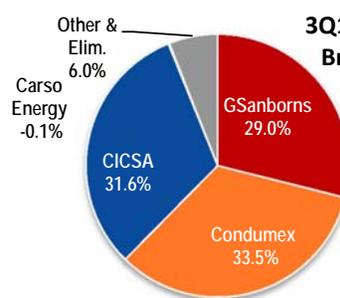
Consolidated Results	3Q19	3Q18	Var %	9M19	9M18	Var %
Sales	25,778	23,345	10.4%	72,845	68,236	6.8%
Operating Income	3,122	2,473	26.2%	8,227	7,934	3.7%
Controlling Net Income	2,167	1,709	26.8%	5,718	5,527	3.5%
EBITDA	3,936	3,225	22.1%	10,588	10,101	4.8%
Operating Margin	12.1%	10.6%		11.3%	11.6%	
EBITDA Margin	15.3%	13.8%		14.5%	14.8%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT

**3Q19
Sales Breakdown
by Segment**



**3Q19 Op. Income
Breakdown by
Segment**



FINANCIAL RESULTS

Financial Results	3Q19	3Q18	Var%	9M19	9M18	Var%
Interest Expense	-280.9	-252.4	11.3%	-771.4	-721.2	7.0%
Income (Loss) on derivatives net	-151.0	-84.9	NA	-450.1	164.3	NA
Interest Income	138.5	154.5	-10.4%	364.9	361.3	1.0%
Interest (net)	-293.3	-182.8	60.5%	-856.5	-195.5	338.0%
ForEx Results	104.1	-261.0	NA	23.6	-319.4	NA
CFR	-189.2	-443.7	-57.4%	-833.0	-515.0	61.7%
Income taxes	842.6	576.0	46.3%	2,193.1	2,132.5	2.8%
Earnings from non-consolidated companies	299.0	456.4	-34.5%	1,093.9	958.9	14.1%
Non-controlling participation in Net Income	222.1	201.5	10.2%	576.9	717.6	-19.6%

NA= Not applicable

RESULTS OF ASSOCIATED COMPANIES

3Q19 Associated Companies	Holding %	Division	Stockholders Equity	Part. in Results (MM MXN)		
				Sales	Op. Income	EBITDA
Elementia, S.A.B. de C.V. (Elementia)	36.47%	GCarso	9,082.4	6,463.4	377.6	906.6
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,756.7	0.0	0.0	-0.1
Construction projects Consortia	-	CICSA	295.5	1,464.4	439.6	439.6
Trans-Pecos Pipeline, LLC (Gasoducto Waha-Presidio)	51.00%	Carso Energy	209.6	0.0	0.0	0.0
Comanche Trail Pipeline, LLC (Gasoducto Waha-San Elizario)	51.00%	Carso Energy	595.9	0.0	0.0	0.0
Inmuebles SROM, S.A. de C.V.	14.00%	Grupo Sanborns	2,373.9	98.0	65.3	59.7
Subtotal			17,572.1	9,114.9	1,806.4	2,329.8
Others investments in associated companies			1,457.2			
Total Investments in joint ventures ans associates			19,029.3			
Companies at market value			Fair Value			
GMéxico Transportes, S.A.B. de C.V. (GMéxico)	15.14%	GCarso	15,235.8	5,382.8	1,506.8	2,383.8
Others			938.2			
Subtotal			16,174.0	14,497.7	3,313.2	4,713.6
Total Investments in shares			35,203.3			

INTEREST-BEARING LIABILITES

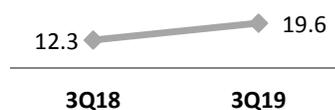
Total Debt by CURRENCY

Pesos 23%	Dollars 77%
--------------	----------------

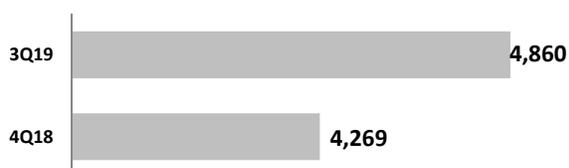
Total Debt by TERM

Short T 3%	Long T 97%
---------------	---------------

LTM EBITDA/Interest Expense



Net Debt (MM Ps)



RESULTS BY SEGMENT

RETAIL

Consolidated Results	3Q19	3Q18	Var %	9M19	9M18	Var %
Sales	11,988	11,810	1.5%	35,518	35,072	1.3%
Operating Income	904	977	-7.5%	2,805	3,139	-10.6%
Controlling Net Income	556	723	-23.1%	1,714	2,083	-17.7%
EBITDA	1,440	1,510	-4.6%	4,423	4,664	-5.2%
Operating Margin	7.5%	8.3%		7.9%	8.9%	
EBITDA Margin	12.0%	12.8%		12.5%	13.3%	



Contribution to
Consolidated Results
47% SALEX
29% OP. INCOME
37% EBITDA

Note: For more information, please refer to the 3Q19 earnings release of Grupo Sanborns, S.A.B. de C.V.

From July to September 2019, **total sales** of Grupo Sanborns reached Ps. 11,988 million, which meant Ps. 178 million pesos more, an increase of 1.5%. The sales of technology and cosmetics stood out, as well as other categories due to the space optimization reached at the stores.

Operating income decreased 7.5% to Ps. 904 million with an operating margin of 7.5% versus 8.3% last year. This was explained because although the gross margin remained at 3Q18 levels, with a contribution of items of greater added value within the mix of categories in both Sears, Sanborns and Other Formats; operating and administrative expenses increased due to an increase in wages and salaries - both in comparable and non-comparable stores -, improvements to technology platforms and higher electricity rates.

Quarterly EBITDA decreased 4.6% totaling Ps. 1,440 million, with a margin of 12.0%.

Controlling net income in the 3Q19 totaled Ps. 556 million pesos, lower than the Ps. 723 million recorded in the 3Q18.

INDUSTRIAL

Consolidated Results	3Q19	3Q18	Var %	9M19	9M18	Var %
Sales	8,617	7,808	10.4%	24,435	23,158	5.5%
Operating Income	1,046	903	15.9%	2,950	3,060	-3.6%
Controlling Net Income	718	456	57.7%	1,996	2,053	-2.8%
EBITDA	1,188	992	19.7%	3,299	3,284	0.4%
Operating Margin	12.1%	11.6%		12.1%	13.2%	
EBITDA Margin	13.8%	12.7%		13.5%	14.2%	


CONDUMEX
 Contribution to
 Consolidated Results
 33% SALES
 34% OP. INCOME
 30% EBITDA

In the 3Q19, the **sales** of Grupo Condumex increased 10.4% totaling Ps. 8,617 MM. Greater dynamism in all sectors explained this. In Telecom, there was an increase in volume in fiber optic and coaxial cables due to higher domestic and direct export sales. In the Automotive sector the sale of harnesses with higher content grew 5.1%. Energy cables also increased its volume sales.

Operating income was Ps. 1,046 MM increasing 15.9%, while **EBITDA** was Ps. 1,188 MM increasing 19.7%. Cables explained the improvements in profitability, since there was a greater operating margin due to variations in metal prices, as well as reductions in operating and administrative expenses in the distribution chain.

The **controlling net income** of Grupo Condumex increased 57.7% from Ps. 456 MM in the 3Q18 to Ps. 718 MM in the 3Q19, being favored by the operating leverage.

INFRASTRUCTURE AND CONSTRUCTION

Consolidated Results	3Q19	3Q18	Var %	9M19	9M18	Var %
Sales	5,490	4,029	36.3%	14,177	11,230	26.2%
Operating Income	985	402	145.3%	1,902	1,338	42.1%
Controlling Net Income	777	211	267.8%	1,400	979	42.9%
EBITDA	1,121	524	114.0%	2,294	1,728	32.7%
Operating Margin	17.9%	10.0%		13.4%	11.9%	
EBITDA Margin	20.4%	13.0%		16.2%	15.4%	

carso

Contribution to
Consolidated Results
21% SALES
32% OP. INCOME
29% EBITDA

Sales of Carso Infraestructura y Construcción (CICSA) grew 36.3%, totaling Ps. 5,490 MM in the third quarter of the year. Almost all sectors posted positive performances. Pipeline Installations stood out, a division that improved its revenues 31.2% driven by higher volumes at the telecom projects and the progress in the construction of the gas pipeline in Chihuahua. The company recorded this quarter the revenue from the recovery of costs recognized in previous periods, related to the manufacture and assembly of structures for the NAIM, coupled with a greater activity of directional drilling of geothermal wells and cementing of oil wells. Additionally, the company reflected the start of works on the Las Varas-Vallarta highway, as well as the final works of the Emisor Oriente Tunnel, among others.

CICSA's **quarterly operating income and EBITDA** increased 145.3% and 114.0%, respectively. This was primarily due to the recovery of costs incurred and recognized in previous periods from the works for the NAIM.

Controlling net income increased 267.8% from Ps. 211 MM in 3Q18 to Ps. 777 MM in the 3Q19.

The mix of projects currently in place include: the completion of the Emisor Oriente Tunnel, the Las Varas-Vallarta highway, the Mitla-Tehuantepec highway, The Beaches corridor in Panama, various real estate projects, installation services for Telecom, the construction of the Samalayuca-Sasabe gas pipeline as well as various services and equipment for the oil industry.

The **CICSA backlog** totaled Ps. 17,798 MM as of September 30, 2019, compared to Ps. 13,285 MM in the same period last year. It does not include the part that corresponds to CICSA of projects in consortium with other companies that in the 3Q18 was Ps. 22,312 MM, and in the 3Q19 was Ps. 1,208 MM, being the cancellation of the New Mexico City airport the main cause of this reduction.

CARSO ENERGY

Consolidated Results	3Q19	3Q18	Var %	9M19	9M18	Var %
Sales	11	20	-44.4%	41	58	-29.7%
Operating Income	-3.9	-3.7	6.7%	-5	-6	-19.2%
Controlling Net Income	146	105	39.0%	418	374	11.8%
EBITDA	-2	-0.1	1266.2%	0	3	-98.9%
Operating Margin	NA	NA		NA	NA	
EBITDA Margin	NA	NA		0.1%	4.8%	



Contribution to
Consolidated Results
0.04% SALES
-0.1% OP. INCOME
-0.05% EBITDA

Consolidated sales of Carso Energy amounted to Ps. 11 million in the 3Q19, decreasing 44.4% compared to Ps. 20 MM recorded in the 3Q18. This was basically due to lower sales of oil in Tabasco Oil Company in Colombia.

The quarterly **operating income and EBITDA** of the energy division were Ps. -3.9 MM and Ps. -2.0 MM, decreasing compared to Ps. -3.7 MM and Ps. -0.1 MM, respectively.

Carso Energy's **controlling net income** was Ps. 146 MM compared to Ps. 105 MM in the 3Q18 driven by the gas pipeline results in Texas, where we recognize 51.0% of its profits and adjustments to deferred taxes.

Carso Energy remains active with investments in pipelines, geothermal and oil projects, etc.

CONTACTS FOR INVESTORS

Angélica Piña Garnica
Investor Relations
T. +52 (55) 1101-2956
napinag@gcarso.com.mx

Arturo Spinola García
CFO Condumex and CICSA
T. +52 (55) 5249-8910
aspinola@gcarso.com.mx

INVITATION TO THE CONFERENCE CALL:

Date: Friday, October 25, 2019

Time: 10:00-10:30 A.M. Mexico City Time / 11:00 A.M.-11:30 A.M. NY Time (US EST)

Access Number: +52 (55) 8880-8040 (Mexico Dial-In)
+1 (412) 317-6384 (International)
+1 (844) 686-3847 (USA Toll-Free)

Conference ID: Grupo Carso

Replay: International and Mexico: +1 (412) 317-0088
USA Toll-Free: +1 (877) 344-7529
Canada Toll-Free: +1 (855) 669-9658

Replay Code: 10135820 (Available until November 05, 2019)

ADDITIONAL CHARTS:

Consolidated Financial Income Data										
Million PESOS (MXN)										
	3Q19		3Q18		Var %	9M19		9M18		Var %
GRUPO CARSO										
Revenues	25,777.8	100.0%	23,344.9	100.0%	10.4%	72,845.3	100.0%	68,235.8	100.0%	6.8%
Operating Income	3,122.1	12.1%	2,473.4	10.6%	26.2%	8,227.2	11.3%	7,933.6	11.6%	3.7%
Financial Results	-189.2	-0.7%	-443.7	-1.9%	-57.4%	-833.0	-1.1%	-515.0	-0.8%	61.7%
Controlling Net Income	2,167.2	8.4%	1,708.5	7.3%	26.8%	5,718.1	7.8%	5,527.4	8.1%	3.5%
EBITDA	3,936.1	15.3%	3,224.8	13.8%	22.1%	10,587.9	14.5%	10,100.6	14.8%	4.8%
GRUPO SANBORNS										
Sales	11,987.8	100.0%	11,809.8	100.0%	1.5%	35,517.8	100.0%	35,072.0	100.0%	1.3%
Operating Income	904.3	7.5%	977.3	8.3%	-7.5%	2,805.4	7.9%	3,138.9	8.9%	-10.6%
Controlling Net Income	556.1	4.6%	723.1	6.1%	-23.1%	1,713.7	4.8%	2,083.3	5.9%	-17.7%
EBITDA	1,439.7	12.0%	1,509.5	12.8%	-4.6%	4,422.5	12.5%	4,664.1	13.3%	-5.2%
GRUPO CONDUMEX										
Sales	8,617.2	100.0%	7,807.8	100.0%	10.4%	24,434.7	100.0%	23,158.2	100.0%	5.5%
Operating Income	1,046.2	12.1%	902.9	11.6%	15.9%	2,950.4	12.1%	3,059.6	13.2%	-3.6%
Controlling Net Income	718.4	8.3%	455.6	5.8%	57.7%	1,996.0	8.2%	2,052.6	8.9%	-2.8%
EBITDA	1,187.8	13.8%	992.4	12.7%	19.7%	3,298.6	13.5%	3,284.0	14.2%	0.4%
CICSA										
Sales	5,489.8	100.0%	4,029.2	100.0%	36.3%	14,177.1	100.0%	11,229.7	100.0%	26.2%
Operating Income	985.4	17.9%	401.7	10.0%	145.3%	1,902.0	13.4%	1,338.2	11.9%	42.1%
Controlling Net Income	776.8	14.2%	211.2	5.2%	267.8%	1,400.0	9.9%	979.4	8.7%	42.9%
EBITDA	1,120.8	20.4%	523.8	13.0%	114.0%	2,293.7	16.2%	1,727.9	15.4%	32.7%
CARSO ENERGY										
Sales	11.4	100.0%	20.5	1.0	-44.4%	41.0	100.0%	58.3	1.0	-29.7%
Operating Income	-3.9	NA	-3.7	NA	6.7%	-4.8	NA	-5.9	NA	-19.2%
Controlling Net Income	146.1	NA	105.1	NA	39.0%	417.5	NA	373.5	NA	11.8%
EBITDA	-1.9	NA	-0.1	NA	1266.2%	0.0	0.1%	2.8	0.0	-98.9%

Consolidated Balance Sheet Data			
Million PESOS(MXN)			
	3Q19	4Q18	Var %
GRUPO CARSO			
Cash & Equivalents	6,882.8	7,767.5	-11.4%
Trade Receivables	20,628.7	19,571.1	5.4%
Accounts Receivable to Related Parties	4,669.9	4,708.0	-0.8%
Other Accounts Receivable	4,999.4	4,021.2	24.3%
Recoverable Taxes	1,031.5	860.6	19.9%
Other Financial Assets	1,204.3	1,150.2	4.7%
Inventories	17,622.1	17,764.6	-0.8%
Current Assets	57,038.7	55,843.2	2.1%
Other Non-Current Trade Receivables	1,131.3	1,299.0	-12.9%
Non-Current Inventories	937.5	937.5	0.0%
Other Non-Current Financial Assets	30.4	478.9	-93.7%
Investments in Associates	35,203.4	34,760.6	1.3%
Property, Plant and Equipment	36,695.9	35,620.3	3.0%
Investment Properties	3,073.7	3,068.5	0.2%
Assets for Rights of Use	5,421.8	5,484.4	-1.1%
Goodwill	0.0	0.0	0.0%
Intangible Assets	1,439.5	1,220.0	18.0%
Deferred Tax Assets	4,302.9	3,902.7	10.3%
Other Non-Current Non-Financial Assets	1,031.5	1,014.7	1.7%
Non-Current Assets	89,267.9	87,786.5	1.7%
Total Assets	146,306.6	143,629.7	1.9%
Suppliers	9,309.3	11,278.4	-17.5%
Other Short-Term Accounts Payable	8,400.5	7,403.7	13.5%
Short-Term Taxes Payable	714.5	552.0	29.5%
Short-Term Debt	379.2	516.9	-26.6%
Short-Term Bank Debt	6.2	8.9	-30.1%
Short-Term Lease Liabilities	1,379.2	1,247.0	10.6%
Other Current Non-Financial Liabilities	1,992.4	1,157.1	72.2%
Current Provisions	4,766.5	4,221.2	12.9%
Current Liabilities	26,947.9	26,385.1	2.1%
Long-Term Taxes Payable	1,706.7	1,756.7	-2.8%
Bank loans non-current	9,568.2	9,669.9	-1.1%
Stock market loans non-current	3,000.0	3,000.0	0.0%
Other non-current financial liabilities	917.7	0.0	NA
Long-Term Lease Liabilities	5,124.0	5,239.5	
Long-Term Provisions	254.7	184.3	38.2%
Deferred Tax Liabilities	5,401.3	4,962.6	8.8%
Non-Current Liabilities	25,972.7	24,812.9	4.7%
Total Liabilities	52,920.6	51,198.1	3.4%
Stockholder's Equity	93,386.1	92,431.6	1.0%
Shares Outstanding ('000)	2,280,066	2,281,438.7	-0.1%
Closing Stock Price	57.9	70.4	-17.7%
NA=Not Applicable			