

Fourth Quarter 2019 Results

Mexico City, February 20, 2020, Grupo Carso S.A.B. de C.V. ("The Group", "Carso Group" BMV: GCARSO OTC: GPOVY) announced today its results for the fourth quarter and full year results of 2019.

RELEVANT EVENTS

- On October 22, 2019 Grupo Carso informed investors that PEMEX Exploration and Production **awarded as winner the consortium formed by its subsidiary CICSA and the company Permaducto, 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 works is subject to the signing of the respective contract.
- On February 5, 2020 Grupo Carso, S.A.B. de C.V. informed the investing public that **through its subsidiary Carso Energy Corp. acquired 100% of the shares representing the capital stock of Ideal Panamá, S.A., which has been operating two hydroelectric plants in Panama since 2012**, with a combined capacity of 145 MW, for an amount of USD \$153 million. Ideal Panama has debt with commercial banks for USD \$400.0 million.

HIGHLIGHTS

SALES
+4.3%

- The **total sales** of Grupo Carso reached Ps. 29,632 MM in the 4Q19, 4.3% above the Ps. 28,404 MM in 4Q18, where Carso Infraestructura y Construcción and Grupo Sanborns increased their sales 25.4% and 6.5%, respectively. Grupo Condumex reduced 5.9% its sales due to the impact of extraordinary factors in the automotive industry in the United States of America (USA), which affected the sales of harnesses, coupled with an appreciation of the local currency (Mexican peso MXN).

The **cumulative sales** of the year increased 6.0% reaching Ps. 102,478 MM. Higher sales were observed in all divisions, mainly Carso Infraestructura y Construcción with an increase of 26.0%. Grupo Sanborns and Grupo Condumex went up 3.0% and 2.6% respectively, compared to 2018 figures.

OP. INCOME
+5.7%

- The Group's **operating income** increased 5.7%. This was mainly explained by Ps. 222 MM of appraisal of investment properties recorded in Other Income, compared to Other Expenses of Ps. 373 MM recorded in the 4Q18 due to the impairment of exploration investments in the fields of Colombia.
The 2019 **accumulated operating income** increased 4.2% from Ps. 10,986 to Ps. 11,453 MM.

EBITDA
-6.2%

**NET
INCOME**
-32.7%

- o The **EBITDA** of Grupo Carso totaled Ps. 3,893 MM being 6.2% lower than Ps. 4,152 MM reported in the 4Q18, which corresponded to an EBITDA margin of 13.1%.

EBITDA from January to December 2019 increased 1.6%.

- o Due to variations in the exchange rate during the 4Q19, the **Comprehensive Financing Result (CFR)** represented an expense of Ps. 264 MM, compared to a positive result of Ps. 597 MM recorded in the 4Q18. For the same reason, as well as for hedging effects, the accumulated RIF was Ps. -1,097 MM, being unfavorable versus the RIF of 2018 that totaled Ps. 82 MM.

- o The **Controlling Net Income** was Ps. 2,454 MM compared to Ps. 3,649 in the 4Q18. This 32.7% decrease was mainly due to the Comprehensive Financing Result, as well as to extraordinary favorable effects recognized in 2018 related to the operations of Carso Energy in the USA.

The **controlling net income of twelve months** of 2019 went down 10.9%.

- o **Total debt** as of December 31, 2019 was Ps. 12,600 MM, mainly including the financing for the Samalayuca-Sásabe gas pipeline, decreasing 4.6% compared to the debt at the end of December 2018. **Net Debt** was Ps. 2,741 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 4Q19 totaled Ps. 9,859 MM compared to Ps. 8,918 MM at the end of December 2018. This reduction was due to the payment of dividends, capital expenditures, investments in associated companies (Miniso), and higher working capital needs.

The net-debt-to LTM EBITDA was 0.19 times in the 4Q19, compared to 0.30 times at the end of the 4Q18. The Company has a program of dual stock certificates with authorization on February 17, 2019 for up to Ps. 10,000 MM of which an issuance of Ps. 3,000 MM was carried out on March 16, 2018 with a maturity of 3 years. An issue is currently being negotiated for March 10, 2020 for an amount between \$ 3,000 and \$ 5,000 MM with a 3-year maturity.

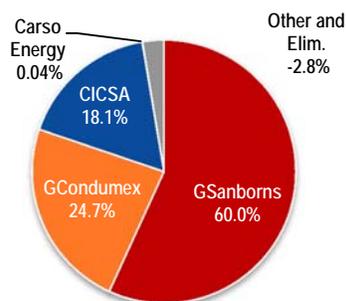
SUMMARY

Amounts in Million Pesos (MM)

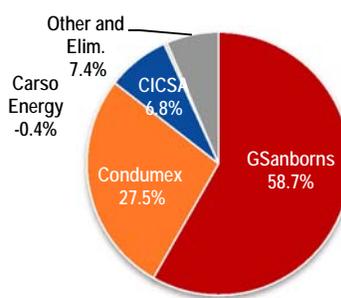
Consolidated Results	4Q19	4Q18	Var %	2019	2018	Var %
Sales	29,632	28,404	4.3%	102,478	96,640	6.0%
Operating Income	3,226	3,053	5.7%	11,453	10,986	4.2%
Controlling Net Income	2,454	3,649	-32.7%	8,173	9,176	-10.9%
EBITDA	3,893	4,152	-6.2%	14,481	14,253	1.6%
Operating Margin	10.9%	10.7%		11.2%	11.4%	
EBITDA Margin	13.1%	14.6%		14.1%	14.7%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT

**4Q19
Sales Breakdown
by Segment**



**4Q19
Op. Income
Breakdown
by Segment**



FINANCIAL RESULTS

Financial Results	4Q19	4Q18	Var%	2019	2018	Var%
Interest Expense	-414.2	-318.0	30.3%	-1,185.7	-1,039.1	14.1%
Income (Loss) on derivatives net	23.1	125.1	-81.5%	-426.9	289.4	NA
Interest Income	378.4	224.5	68.6%	743.4	585.8	26.9%
Interest (net)	-12.6	31.7	NA	-869.2	-163.9	430.4%
ForEx Results	-251.1	565.1	NA	-227.6	245.7	NA
CFR	-263.8	596.8	NA	-1,096.7	81.8	NA
Income taxes	735.5	-656.2	NA	2,928.6	1,476.4	98.4%
Earnings from non-consolidated companies	513.8	-171.2	NA	1,607.7	787.7	104.1%
Non-controlling participation in Net Income	286.1	485.4	-41.1%	863.0	1,203.0	-28.3%

NA= Not applicable

RESULTS OF ASSOCIATED COMPANIES

4Q19	Holding	Stockholders	Part. in Results (MM MXN)			
Associated Companies	%	Division	Equity	Sales	Op. Income	EBITDA
Elementia, S.A.B. de C.V. (Elementia)	36.47%	GCarso	8,961.3	9,446.5	465.2	1,267.9
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	2,030.1	0.0	-0.4	-0.4
Construction projects Consortia	-	CICSA	145.9	1,483.9	462.7	462.7
Trans-Pecos Pipeline, LLC (Gasoducto Waha-Presidio)	51.00%	Carso Energy	2,982.3	853.0	697.7	697.7
Comanche Trail Pipeline, LLC (Gasoducto Waha-San Elzario)	51.00%	Carso Energy	1,735.5	643.9	571.6	571.6
Inmuebles SROM, S.A. de C.V.	14.00%	Grupo Sanborns	2,441.6	157.0	111.9	81.7
Subtotal			18,296.7	12,584.3	2,308.7	3,081.2
Others investments in associated companies			1,362.0			
Total Investments in joint ventures ans associates			19,658.7			
			Fair Value			
Companies at market value						
GMéxico Transportes, S.A.B. de C.V. (GMéxico)	15.14%	GCarso	15,589.7	7,212.0	2,064.4	3,197.1
Others			421.4			
Subtotal			16,011.1	19,796.3	4,373.1	6,278.3
Total Investments in shares			35,669.8			

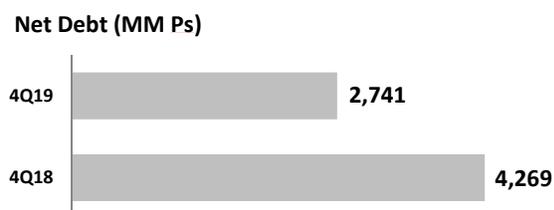
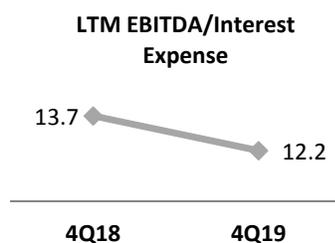
INTEREST-BEARING LIABILITES

Total Debt by CURRENCY

Pesos	Dollars
24%	76%

Total Debt by TERM

Short T	Long T
3%	97%



RESULTS BY SEGMENT

RETAIL

Consolidated Results	4Q19	4Q18	Var %	2019	2018	Var %
Sales	17,771	16,683	6.5%	53,288	51,755	3.0%
Operating Income	1,894	2,084	-9.1%	4,699	5,223	-10.0%
Controlling Net Income	1,235	1,647	-25.0%	2,949	3,730	-20.9%
EBITDA	2,367	2,537	-6.7%	6,789	7,201	-5.7%
Operating Margin	10.7%	12.5%		8.8%	10.1%	
EBITDA Margin	13.3%	15.2%		12.7%	13.9%	



Contribution to
Consolidated Results
60% SALEX
59% OP. INCOME
61% EBITDA

Note: For more information, please refer to the 4Q19 earnings release of Grupo Sanborns, S.A.B. de C.V.

From October to December 2019, the **total sales** of Grupo Sanborns reached Ps. 17,771 MM, Ps. 1,087 MM, an increase of 6.5%. In this result, the sales of technology and fashion stood out, especially the iShop format.

Operating income decreased 9.1% to Ps. 1,894 MM with an operating margin of 10.7% versus 12.5% last year. A greater participation of lower gross margin items in the sales mix explained this. Operating and administrative expenses grew 2.3% due to the increase in wages and salaries of both comparable and non-comparable stores, the opening of new iShop stores, improvements in technology platforms and higher energy costs.

Quarterly EBITDA decreased 6.7% totaling Ps. 2,367 MM, with a margin of 13.3%.

The **controlling net income** of the 4Q19 totaled Ps. 1,235 MM, being lower than the Ps. 1,647 MM recorded in the 4Q18.

INDUSTRIAL

Consolidated Results	4Q19	4Q18	Var %	2019	2018	Var %
Sales	7,312	7,772	-5.9%	31,747	30,930	2.6%
Operating Income	886	955	-7.2%	3,837	4,015	-4.4%
Controlling Net Income	465	700	-33.5%	2,461	2,753	-10.6%
EBITDA	942	985	-4.3%	4,241	4,268	-0.7%
Operating Margin	12.1%	12.3%		12.1%	13.0%	
EBITDA Margin	12.9%	12.7%		13.4%	13.8%	


CONDUMEX
 Contribution to
 Consolidated Results
 25% SALES
 28% OP. INCOME
 24% EBITDA

In the 4Q19, the **sales** of Grupo Condumex decreased 5.9%. The Automotive sector had the greatest impact on this reduction (Ps. 392 MM), due to the General Motors USA strike for 40 days, which affected the manufacture in Mexico, coupled with the local currency appreciation (Mexican peso MXN). The month of October had the biggest impact, but for December, there was a recovery in the volume of harnesses and automotive cable.

Operating income and EBITDA were Ps. 886 MM and Ps. 942 MM, which represented reductions of 7.2% and 4.3%, respectively. The aforementioned fall in revenues, higher expenses for the implementation of additional security measures in the distribution chain and higher energy costs, explained the lower profitability.

The **controlling net income** of Grupo Condumex fell 33.5% from Ps. 700 MM in the 4Q18 to Ps. 465 MM in the 4Q19, due to variations in the exchange rate, where we had a devaluation that favored us in the 4Q18, versus an appreciation that affected us in the 4Q19.

INFRASTRUCTURE AND CONSTRUCTION

Consolidated Results	4Q19	4Q18	Var %	2019	2018	Var %
Sales	5,361	4,274	25.4%	19,538	15,504	26.0%
Operating Income	219	312	-29.6%	2,121	1,650	28.6%
Controlling Net Income	157	236	-33.7%	1,557	1,216	28.1%
EBITDA	413	462	-10.6%	2,707	2,190	23.6%
Operating Margin	4.1%	7.3%		10.9%	10.6%	
EBITDA Margin	7.7%	10.8%		13.9%	14.1%	

carso
INFRAESTRUCTURA Y CONSTRUCCIÓN

Contribution to
Consolidated Results
18% SALES
7% OP. INCOME
11% EBITDA

The **sales** of Carso Infraestructura y Construcción grew 25.4%, totaling Ps. 5,361 MM in the fourth quarter of the year. The contribution of the Gas Pipeline division stood out, improving its revenues 42.6% from higher volumes in Telecom projects. In Infrastructure, revenues increased 29.6% due to higher volumes in different highway projects in Mexico and abroad. Manufacturing for the Oil and Chemical Industry was awarded the construction of Maloob E-I platforms for Pemex and had more activity in directional drilling of geothermal wells and oil well cementing services.

The **quarterly operating income and EBITDA** of Carso Infraestructura decreased 29.6% and 10.6%, respectively, since we recognized possible effects of conclusion of infrastructure projects as well as lower margins in the mix of projects.

The **controlling net income** decreased 33.7% from Ps. 236 MM in the 4Q18 to Ps. 157 MM in the 4Q19.

The mix of projects currently in place include: the construction of Las Varas-Vallarta, Mitla-Tehuantepec highways and the Beaches corridor in Panama, various real estate projects, installation services for Telecom, the construction of the Samalayuca-Sasabe gas pipeline, the Maloob E-I oil platforms, as well as various services and equipment for the oil industry.

The **backlog** of Carso Infraestructura totaled Ps. 19,942 MM as of December 31, 2019, compared to Ps. 21,304 MM in the same period last year.

CARSO ENERGY

Consolidated Results	4Q19	4Q18	Var %	2019	2018	Var %
Sales	11	14	-24.7%	52	72	-28.7%
Operating Income	-13	-501	-97.5%	-17	-507	-96.6%
Controlling Net Income	216	1,264	-83.0%	633	1,638	-61.3%
EBITDA	-9	-40.2	-76.7%	-9	-37	-75.0%
Operating Margin	NA	NA		NA	NA	
EBITDA Margin	NA	NA		NA	NA	



Contribution to
Consolidated Results
0.04% SALES
-0.4% OP. INCOME
-0.24% EBITDA

Consolidated sales of Carso Energy amounted to Ps. 11 million in the 4Q19, decreasing 24.7% compared to Ps. 14 MM recorded in the 4Q18. 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. -13 MM and Ps. -9 MM in the 4Q19, decreasing compared to Ps. -501 MM and Ps. -40 MM in the 4Q18, period in which the effect of the aforementioned impairment was recorded.

Carso Energy's **controlling net income** was Ps. 216 MM compared to Ps. 1,264 MM in the 4Q18 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 progress in pipelines, geothermal projects 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, February 21, 2020

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 March 02, 2020)

ADDITIONAL CHARTS:

Consolidated Financial Income Data										
Million PESOS (MXN)										
	4Q19		4Q18		Var %	2019		2018		Var %
GRUPO CARSO										
Revenues	29,632.3	100.0%	28,404.0	100.0%	4.3%	102,477.6	100.0%	96,639.8	100.0%	6.0%
Operating Income	3,226.0	10.9%	3,052.7	10.7%	5.7%	11,453.2	11.2%	10,986.3	11.4%	4.2%
Financial Results	-263.8	-0.9%	596.8	2.1%	-144.2%	-1,096.7	-1.1%	81.8	0.1%	NA
Controlling Net Income	2,454.5	8.3%	3,649.1	12.8%	-32.7%	8,172.6	8.0%	9,176.4	9.5%	-10.9%
EBITDA	3,893.1	13.1%	4,151.9	14.6%	-6.2%	14,481.1	14.1%	14,252.5	14.7%	1.6%
GRUPO SANBORNS										
Sales	17,770.7	100.0%	16,683.4	100.0%	6.5%	53,288.5	100.0%	51,755.4	100.0%	3.0%
Operating Income	1,893.8	10.7%	2,084.3	12.5%	-9.1%	4,699.2	8.8%	5,223.2	10.1%	-10.0%
Controlling Net Income	1,234.8	6.9%	1,646.6	9.9%	-25.0%	2,948.5	5.5%	3,729.9	7.2%	-20.9%
EBITDA	2,367.0	13.3%	2,536.6	15.2%	-6.7%	6,789.5	12.7%	7,200.6	13.9%	-5.7%
GRUPO CONDUMEX										
Sales	7,311.9	100.0%	7,771.7	100.0%	-5.9%	31,746.6	100.0%	30,929.9	100.0%	2.6%
Operating Income	886.4	12.1%	955.2	12.3%	-7.2%	3,836.8	12.1%	4,014.8	13.0%	-4.4%
Controlling Net Income	465.2	6.4%	700.0	9.0%	-33.5%	2,461.2	7.8%	2,752.6	8.9%	-10.6%
EBITDA	942.1	12.9%	984.5	12.7%	-4.3%	4,240.7	13.4%	4,268.5	13.8%	-0.7%
CICSA										
Sales	5,360.9	100.0%	4,274.5	100.0%	25.4%	19,538.0	100.0%	15,504.2	100.0%	26.0%
Operating Income	219.4	4.1%	311.6	7.3%	-29.6%	2,121.4	10.9%	1,649.9	10.6%	28.6%
Controlling Net Income	156.6	2.9%	236.1	5.5%	-33.7%	1,556.5	8.0%	1,215.5	7.8%	28.1%
EBITDA	412.9	7.7%	461.8	10.8%	-10.6%	2,706.6	13.9%	2,189.7	14.1%	23.6%
CARSO ENERGY										
Sales	10.6	100.0%	14.1	1.0	-24.7%	51.6	100.0%	72.4	1.0	-28.7%
Operating Income	-12.6	NA	-501.4	NA	-97.5%	-17.4	NA	-507.3	NA	-96.6%
Controlling Net Income	215.6	NA	1,264.5	NA	-83.0%	633.1	NA	1,638.0	NA	-61.3%
EBITDA	-9.4	NA	-40.2	NA	-76.7%	-9.3	-18.1%	-37.4	NA	-75.0%

Consolidated Balance Sheet Data			
Million PESOS(MXN)			
	4Q19	4Q18	Var %
GRUPO CARSO			
Cash & Equivalents	8,157.9	7,767.5	5.0%
Trade Receivables	22,613.4	19,571.1	15.5%
Accounts Receivable to Related Parties	4,954.6	4,708.0	5.2%
Other Accounts Receivable	5,606.7	4,021.2	39.4%
Recoverable Taxes	630.1	860.6	-26.8%
Other Financial Assets	1,701.4	1,150.2	47.9%
Inventories	17,652.6	17,764.6	-0.6%
Current Assets	61,316.7	55,843.2	9.8%
Other Non-Current Trade Receivables	1,247.3	1,299.0	-4.0%
Non-Current Inventories	993.5	937.5	6.0%
Other Non-Current Financial Assets	16.5	478.9	-96.6%
Investments in Associates	35,669.7	34,760.6	2.6%
Property, Plant and Equipment	36,535.2	35,620.3	2.6%
Investment Properties	3,233.9	3,068.5	5.4%
Assets for Rights of Use	5,634.2	5,484.4	2.7%
Intangible Assets	1,470.4	1,220.0	20.5%
Deferred Tax Assets	4,627.6	3,902.7	18.6%
Other Non-Current Non-Financial Assets	687.5	1,014.7	-32.2%
Non-Current Assets	90,115.7	87,786.5	2.7%
Total Assets	151,432.4	143,629.7	5.4%
Suppliers	10,884.7	11,278.4	-3.5%
Other Short-Term Accounts Payable	7,646.3	7,403.7	3.3%
Short-Term Taxes Payable	1,200.8	552.0	117.6%
Short-Term Debt	417.5	516.9	-19.2%
Short-Term Bank Debt	0.3	8.9	-97.1%
Short-Term Lease Liabilities	1,369.3	1,247.0	9.8%
Other Current Non-Financial Liabilities	3,648.1	1,157.1	215.3%
Current Provisions	4,721.3	4,221.2	11.8%
Current Liabilities	29,888.4	26,385.1	13.3%
Long-Term Taxes Payable	1,438.1	1,756.7	-18.1%
Bank loans non-current	9,182.8	9,669.9	-5.0%
Stock market loans non-current	3,000.0	3,000.0	0.0%
Other non-current financial liabilities	607.5	0.0	NA
Long-Term Lease Liabilities	5,360.9	5,239.5	
Long-Term Provisions	1,223.3	184.3	563.7%
Deferred Tax Liabilities	5,108.5	4,962.6	2.9%
Non-Current Liabilities	25,921.0	24,812.9	4.5%
Total Liabilities	55,809.4	51,198.1	9.0%
Stockholder's Equity	95,623.0	92,431.6	3.5%
Shares Outstanding ('000)	2,279,649	2,281,438.7	-0.1%
Closing Stock Price	69.8	70.4	-0.8%

NA =Not Applicable