

First Quarter 2020 Results

Mexico City, April 23, 2020, Grupo Carso S.A.B. de C.V. ("El Grupo", "Grupo Carso", BMV: GCARSO OTC: GPOVY) announced today its results for the first quarter of 2020.

RELEVANT AND CORPORATE EVENTS

- 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 Panamá has debt of USD \$400.0 million with commercial Banks.
- On April 03, 2020, **Grupo Sanborns, S.A.B. de C.V.**, the main subsidiary of Grupo Carso, announced that to address the health emergency due to the Covid-19 virus, **from March 31 to April 30, 2020, all Sears and Saks Fifth Avenue stores were temporarily closed to the public.** Of the Sanborns stores, only 96 stores closed temporarily and 22 Sanborns Café while the rest remain open, complying with sanitary measures and providing essential products and services in the pharmacy and telecommunications departments. The majority of iShop stores are still open and Dax stores continue to operate since they are self-service stores. Customer service continues through digital stores and distribution centers will continue to operate with protocols established by the health authority
- Next Thursday, April 30, 2020, the **Annual Ordinary Shareholders Meeting** will be held, where Financial Statements and general matters will be presented for approval. An **Extraordinary Annual Meeting** will also be held in which a reform to articles XXVI, XXVII and XXVIII of the Bylaws is proposed. In general terms, the purpose is to establish that both the meetings of the Board of Directors and those of the Audit Committee can be held by telephone or videoconferences, as well as in person.

HIGHLIGHTS

SALES
+5.2%

- **Sales** of Grupo Carso increased 5.2% totaling Ps. 24,017 MM in the 1Q20, where Carso Infraestructura y Construcción and Grupo Condumex increased their sales 26.2% and 4.3%, respectively. Grupo Sanborns decreased 1.4% due to the impact in the last two weeks of March of the health emergency due to the Covid-19 virus, where prevention and mitigation measures to preserve health reduced traffic at the stores.

OP. INCOME
-15.0%

- o The Group's **operating income** decreased 15.0%, totaling Ps. 2,198 MM, with lower profitability in all divisions, mainly Grupo Sanborns, with a reduction of 28.8% due to the previously mentioned, coupled with extraordinary income in Infrastructure and dividends from Associated companies in 2019.

EBITDA -8.6%

- o The **EBITDA** de Grupo Carso totaled Ps. 3,015 MM, being 8.6% less than Ps. 3,300 MM reported in the 1Q19, with an EBITDA margin of 12.6%.
- o The appreciation of 7.5% in the average ForEx rate in the period, explains that the **Comprehensive Financing Result (CFR)** was positive by Ps. 1,888 MM, compared to a financial expense of Ps. 354 MM recorded in the 1Q19

NET INCOME
23.3%

- o **Controlling net income** was Ps. 2,114 MM compared to Ps. 1,715 MM in the 1Q19. This 23.3% increase was mainly due to the exchange rate effects in the Comprehensive Financing Result
- o **Total debt** as of March 31, 2020 was Ps. 28,751 MM, increasing compared to debt at the end of December 2019, which was Ps. 12,600 MM. The foregoing was due to the debt of USD \$400 million of Ideal Panama, acquired in February 2020, the placement of the Stock Certificate for Ps. 3,500 MM in March, and the exchange effect on the debt of the Samalayuca-Sasabe Pipeline. **Net debt** was Ps. 18,441 MM, compared to a net debt of Ps. 2,741 MM as of December 31, 2019.
The amount of **cash and equivalents** for the 1Q20 totaled Ps. 10,309 MM compared to Ps. 9,859 MM at the end of December 2019.
- o The net debt to LTM EBITDA ratio was 1.30 times in the 1Q20, compared to 0.19 times at the end of 4Q19. The Company has a dual stock certificate program authorized on February 17, 2017 for Ps. 10,000 MM, with an issue for Ps. 3,000 MM on March 16, 2018 and an issue of Ps. 3,500 MM on March 13, 2020, both with a 3-year maturity.

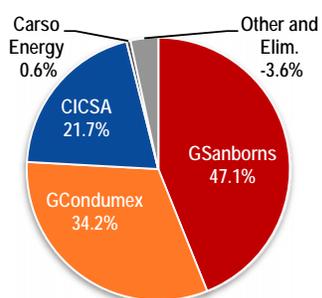
SUMMARY

Amounts in Million Pesos MXN (MM)

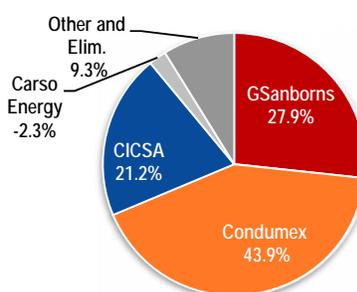
Consolidated Results	1Q20	1Q19	Var %
Sales	24,017	22,833	5.2%
Operating Income	2,198	2,585	-15.0%
Controlling Net Income	2,114	1,715	23.3%
EBITDA	3,015	3,300	-8.6%
Operating Margin	9.2%	11.3%	
EBITDA Margin	12.6%	14.5%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT

**1Q20
Sales Breakdown
by Segment**



**1Q20
Op. Income
Breakdown
by Segment**



FINANCIAL RESULTS

Financial Results	1Q20	1Q19	Var%
Interest Expense	-543.6	-304.2	78.7%
Income (Loss) on derivatives net	-204.0	-150.4	35.7%
Interest Income	391.4	172.6	126.8%
Interest (net)	-356.3	-282.0	26.4%
ForEx Results	2,244.1	-72.1	NA
CFR	1,887.8	-354.1	NA
Income taxes	1,273.9	603.6	111.0%
Earnings from non-consolidated companies	-358.9	261.8	NA
Non-controlling participation in Net Income	339.0	174.7	94.1%

NA= Not applicable

RESULTS OF ASSOCIATED COMPANIES

1Q20 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	8,174.2	1,478.8	17.0	153.8
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,427.7	0.0	0.0	0.0
Construction projects Consortia	-	CICSA	-45.8	0.1	0.5	0.5
Trans-Pecos Pipeline, LLC (Gasoducto Waha-Presidio)	51.00%	Carso Energy	3,171.5	226.3	188.2	188.2
Comanche Trail Pipeline, LLC (Gasoducto Waha-San Elizario)	51.00%	Carso Energy	1,798.9	172.3	159.5	159.5
Inmuebles SROM, S.A. de C.V.	14.00%	Grupo Sanborns	2,469.2	33.4	20.1	17.3
Subtotal			16,995.7	1,910.9	385.3	519.3
Others investments in associated companies			1,269.8			
Total Investments in joint ventures ans associates			18,265.5			
			Fair Value			
Companies at market value						
GMéxico Transportes, S.A.B. de C.V. (GMéxico)	15.14%	GCarso	12,988.3	1.8	0.6	0.8
Others			421.4			
Subtotal			13,409.7	1,912.7	385.9	520.1
Total Investments in shares			31,675.2			

INTEREST-BEARING LIABILITIES

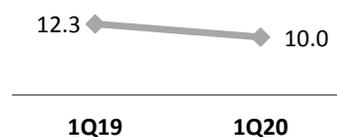
Total Debt by CURRENCY

Pesos 26%	Dollars 74%
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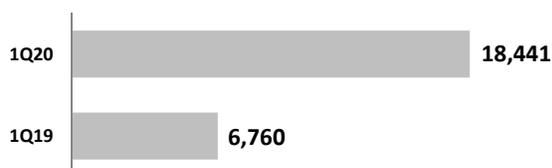
Total Debt by TERM

Short T 16%	Long T 84%
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LTM EBITDA/Interest Expense



Net Debt (MM Ps)



RESULTS BY SEGMENT

RETAIL

Consolidated Results	1Q20	1Q19	Var %
Sales	11,323	11,478	-1.4%
Operating Income	613	861	-28.8%
Controlling Net Income	304	535	-43.2%
EBITDA	1,066	1,394	-23.5%
Operating Margin	5.4%	7.5%	
EBITDA Margin	9.4%	12.1%	



Contribution to
Consolidated Results
47% SALES
28% OP. INCOME
35% EBITDA

Note: For more information, please refer to the 1Q20 earnings release of Grupo Sanborns, S.A.B. de C.V.

From January to March 2020, Grupo Sanborns **total sales** were Ps. 11,323 MM, decreasing 1.4%. The "stay-at-home" recommendation to reduce the risks of Covid-19 contagion led to consumer spending focusing the last two weeks of March on basic consumer items, decreasing sales at both Sears and Sanborns. Sales of technology and computing increased in all three formats, mainly in Promotora Musical, as a result of "home office" and remote work activities.

Operating income decreased 28.8% to Ps. 613 million with an operating margin of 5.4% versus 7.5% last year. This was explained by a lower gross margin in Sanborns, iShop/MixUp and Other formats, as Sears' added value increased 10 percentage points.

Operating expenses decreased 1.3%, remaining constant at 31.9% with respect to sales. This was due to lower administration, promotion and advertising expenses, as well as control in reserves and non-performing loans, which offset wage and salary increases.

Quarterly **EBITDA** decreased 23.5%, totaling Ps. 1,066 million, with a margin of 9.4%.

Controlling Net Income for the 1Q20 totaled Ps. 304 MM, lower than the Ps. 535 million recorded in the 1Q19.

INDUSTRIAL

Consolidated Results	1Q20	1Q19	Var %
Sales	8,225	7,888	4.3%
Operating Income	965	1,012	-4.6%
<u>Controlling Net Income</u>	<u>1,125</u>	520	116.5%
<u>EBITDA</u>	<u>1,112</u>	1,072	3.8%
Operating Margin	11.7%	12.8%	
<u>EBITDA Margin</u>	<u>13.5%</u>	13.6%	



Contribution to
Consolidated Results
34% SALES
44% OP. INCOME
37% EBITDA

In the 1Q20 the **sales** of Grupo Condumex increased 4.3% reaching Ps. 8,225 MM. The Automotive sector was the one that contributed the most to this growth. This combined with a favorable effect on prices due to the appreciation of the average exchange rate that went from MXN/USD Ps. 19.20 in the 1Q19 to Ps. 20.65 MXN/USD in the 1Q20. Higher direct export sales were recorded for Telecom cable, both fiber optic and coaxial, as well as mine cable. The pandemic factors due to the Covid-19 virus began to be seen in late March with lower sales than expected.

Operating income decreased 4.6% totaling Ps. 965 MM due to lower margins in most markets.

EBITDA increased 3.8% reaching Ps. 1,112 MM compared to Ps. 1,072 MM registered in the 1Q19.

Grupo Condumex's **controlling net profit** increased 116.5%, going from Ps. 520 MM to Ps. 1,125 MM mainly due to the variations in the exchange rate that we previously mentioned, where the effects of the devaluation of the peso were recognized.

INFRASTRUCTURE AND CONSTRUCTION

Consolidated Results	1Q20	1Q19	Var %
Sales	5,213	4,130	26.2%
Operating Income	466	527	-11.5%
Controlling Net Income	791	459	72.4%
EBITDA	627	649	-3.4%
Operating Margin	8.9%	12.8%	
EBITDA Margin	12.0%	15.7%	

carso
INFRAESTRUCTURA Y CONSTRUCCIÓN

Contribution to
Consolidated Results
22% SALES
21% OP. INCOME
21% EBITDA

The **sales** of Carso Infraestructura y Construcción grew 26.2% totaling Ps. 5,213 MM in the first quarter of the year. This was mainly due to the Pipeline Installation division, which improved revenues 43.8% due to the increase in volumes of various telecommunications projects.

Even though the different highway projects in Mexico and abroad generated higher revenues, the Infrastructure sector decreased 34.2% due extraordinary revenues on cost recoveries considered in the 1Q19. Manufacturing and Services for the Oil and Chemical Industry continued with the construction of the Maloob E-I platforms for Pemex and recorded greater activity in directional drilling of geothermal wells and cementing services for oil wells.

Carso Infraestructura's **quarterly operating income and EBITDA** decreased 11.5% and 3.4%, respectively. This was due to additional income in the Infrastructure división that was not repeated this quarter, as we mentioned in the previous paragraph.

Net controlling income improved 72.4%, going from Ps. 459 MM in the 1Q19 to Ps. 791 MM in the 1Q20.

The mix of projects at the end of March 2020 includes the construction of the Las Varas-Vallarta, Mitla-Tehuantepec highways and the Las Playas beach corridors in Panama, various real estate projects, the installation services for Telecom, the construction Samalayuca-Sásabe gas pipeline, the Maloob E-I oil platforms, as well as various services and equipment for the oil industry.

It is worth mentioning that in the face of the health emergency caused by Covid-19, where prevention and mitigation measures implied the temporary closure of non-essential activities from March 31 to April 30, 2020, some of our highway and civil construction projects were suspended.

Carso Infraestructura's **backlog** totaled Ps. 34,619 MM as of March 31, 2020, compared to Ps. 23,564 MM in the same period of the previous year

CARSO ENERGY



Consolidated Results	1Q20	1Q19	Var %
Sales	131	14	836.2%
Operating Income	-50	-1	3365.3%
Controlling Net Income	556	140	295.8%
EBITDA	14	-0.2	NA
Operating Margin	NA	NA	
EBITDA Margin	11.0%	NA	

Contribution to
Consolidated Results
0.55% SALES
-2.3% OP. INCOME
0.48% EBITDA

Carso Energy's consolidated **sales** amounted to Ps. 131 MM in the 1Q20 compared to Ps. 14 MM in the 1Q19. Additional income was basically due to the two hydroelectric plants in Panama that were acquired last February.

The operating result went from Ps. -1 MM to Ps. -50 MM in the 1Q20 while EBITDA improved from Ps. -0.16 to Ps. 14 MM.

Carso Energy's **controlling net income** was Ps. 556 MM compared to Ps. 140 MM in the 1Q19 due to the results of the gas pipelines in Texas, where we recognized 51.0% of its profits and we had extraordinary income from exchange rate effects.

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INVITATION TO THE CONFERENCE CALL:

Date: Friday April 24, 2020
 Time: 10:00-10:30 A.M. Mexico City Time/ 11:00 A.M.-11:30 A.M. N TimeY (US EST)
 Access Numbers: +52 (55) 8880-8040 (Mexico Dial-in)
 +1 (412) 317-6384 (International)
 +1 (844) 686-3847 (USA Toll-Free)
 Conference ID: Grupo Carso
 Audio Replay: International and Mexico: +1 (412) 317-0088
 USA Toll-Free: +1 (877) 344-7529
 Canada Toll-Free: +1 (855) 669-9658
 Replay Code: 10142709 (Available until May 6, 2020)

ADDITIONAL CHARTS:

Consolidated Financial Income Data					
Million PESOS (MXN)					
	1Q20		1Q19		Var %
GRUPO CARSO					
Revenues	24,016.9	100.0%	22,832.7	100.0%	5.2%
Operating Income	2,198.0	9.2%	2,585.2	11.3%	-15.0%
Financial Results	1,887.8	7.9%	-354.1	-1.6%	-633.2%
Controlling Net Income	2,113.9	8.8%	1,714.6	7.5%	23.3%
EBITDA	3,014.7	12.6%	3,300.1	14.5%	-8.6%
GRUPO SANBORNS					
Sales	11,322.6	100.0%	11,478.4	100.0%	-1.4%
Operating Income	613.0	5.4%	861.3	7.5%	-28.8%
Controlling Net Income	303.5	2.7%	534.8	4.7%	-43.2%
EBITDA	1,065.9	9.4%	1,393.5	12.1%	-23.5%
GRUPO CONDUMEX					
Sales	8,225.5	100.0%	7,887.6	100.0%	4.3%
Operating Income	965.1	11.7%	1,011.7	12.8%	-4.6%
Controlling Net Income	1,125.1	13.7%	519.8	6.6%	116.5%
EBITDA	1,111.9	13.5%	1,071.5	13.6%	3.8%
CICSA					
Sales	5,213.3	100.0%	4,130.1	100.0%	26.2%
Operating Income	466.4	8.9%	526.7	12.8%	-11.5%
Controlling Net Income	790.7	15.2%	458.8	11.1%	72.4%
EBITDA	626.8	12.0%	648.7	15.7%	-3.4%
CARSO ENERGY					
Sales	131.1	100.0%	14.0	1.0	836.2%
Operating Income	-49.8	NA	-1.4	NA	3365.3%
Controlling Net Income	556.0	NA	140.5	NA	295.8%
EBITDA	14.4	11.0%	-0.2	NA	NA

Consolidated Balance Sheet Data			
Million PESOS(MXN)			
	1Q20	4Q19	Var %
GRUPO CARSO			
Cash and cash equivalents	8,563.0	8,157.9	5.0%
Current Trade Receivables	24,073.6	22,613.4	6.5%
Current receivables due from related parties	5,092.5	4,954.6	2.8%
Other Accounts Receivable	5,767.2	5,415.4	6.5%
Current tax assets, current	702.6	630.1	11.5%
Other current financial assets	1,746.5	1,701.4	2.7%
Current Inventories	17,780.6	17,652.6	0.7%
Total Current Assets	63,726.0	61,125.3	4.3%
Other non-current receivables	1,416.1	1,247.3	13.5%
Non-Current Inventories	993.5	993.5	0.0%
Other Non-Current Financial Assets	0.0	16.5	-100.0%
Investments in subsidiaries, JV 's and associates	31,675.3	34,882.6	-9.2%
Property, Plant and Equipment	53,698.6	36,535.2	47.0%
Investment Property	3,234.6	3,233.9	0.0%
Right-of-use assets not investment property	5,665.3	5,634.2	0.6%
Total Intangible Assets other than goodwill	1,661.0	1,470.4	13.0%
Deferred Tax Assets	5,262.0	4,627.6	13.7%
Other Non-Current Non-Financial Assets	710.5	687.5	3.3%
Total Non-Current Assets	104,316.8	89,328.6	16.8%
Total Assets	168,042.9	150,453.9	11.7%
Trade and other current payables	8,964.0	10,884.7	-17.6%
Other Short-Term Accounts Payable	7,061.8	7,646.3	-7.6%
Short-Term Taxes Payable	1,373.9	1,200.8	14.4%
Short-Term Debt	4,515.9	417.5	981.5%
Other Short-Term Financial Liabilities	37.1	0.3	14166.9%
Short-Term Lease Liabilities	1,475.3	1,369.3	7.7%
Other Current Non-Financial Liabilities	3,698.1	3,648.1	1.4%
Total Current Provisions	5,281.6	4,721.3	11.9%
Total Current Liabilities	32,407.7	29,888.4	8.4%
Current tax liabilities, non-current	1,290.0	1,438.1	-10.3%
Bank loans non-current	20,735.0	9,182.8	125.8%
Stock market loans non-current	3,500.0	3,000.0	16.7%
Other non-current financial liabilities	2,038.0	607.5	235.5%
Non-Current lease liabilities	5,258.9	5,360.9	
Total non-current provisions	1,445.0	1,223.3	18.1%
Deferred Tax Liabilities	5,697.0	5,108.5	11.5%
Total Non-Current Liabilities	39,963.9	25,921.0	54.2%
Total Liabilities	72,371.6	55,809.4	29.7%
Total Equity	95,671.2	94,644.6	1.1%
Shares Outstanding ('000)	2,278,645	2,279,648.7	0.0%
Closing Stock Price	46.6	69.8	-33.3%
NA=Not Applicable			