

## Second Quarter 2020 Results

Mexico City, July 22, 2020, Grupo Carso S.A.B. de C.V. ("The Group", "Grupo Carso", BMV: GCARSO OTC: GPOVY) announced today its results for the second quarter of 2020.

### RELEVANT AND CORPORATE EVENTS

- On April 30, 2020 Grupo Carso S.A.B. de C.V. informed the investing public that the National Tourism Development Fund (**FONATUR**) awarded a contract for the supply of materials and construction of the platform and track of the Mayan Train corresponding to Section 2 Escárcega-Calkiní, for an amount of \$18,553.7 million pesos, which include \$1,676.2 million pesos for 5 years of maintenance and 16% VAT, derived from the international public bidding for having presented the best technical-economic proposal according to the contest rules. Carso Infraestructura y Construcción participates with 50% and FCC with 50%.
- To address the health emergency caused by the COVID-19 virus, **Grupo Sanborns** - Grupo Carso's main subsidiary - temporarily closed all **Sears and Saks Fifth Avenue stores from March 31 to June 15, 2020**. Sanborns temporarily closed 96 stores and 22 Sanborns Café, while the rest continued to comply with sanitary measures and provide essential products and services in the pharmacy, other pharmacy and telecommunications departments. iShop mostly remained open. Dax stores continued to operate as they are self-service stores. Customer service continued through digital stores, as well as distribution centers, which continued to operate with the protocols established by the health authority. Online sales grew 4.9x.
- **From the beginning of the health emergency by COVID-19 virus, Grupo Carso implemented various operational measures such as maintaining its workforce in the months of April to July 2020**, excluding temporary contracts. Based on the prevailing situation in the markets, no dividend payment was scheduled for this year. A strict control of operating expenses was carried out in all the divisions, without affecting the image or the service. Inventories were optimized, seeking to maintain financial balance and fulfilling the commitments made with customers.
- **The Safety Measures for Returning to Work** included space engineering, training for all personnel and continuous disinfection of all work centers such as shops, restaurants, production plants and corporate offices, in coordination with the Carlos Slim Foundation's health intelligence area.

HIGHLIGHTS

**SALES**  
**\$14,778 MM**

- **Sales** of Grupo Carso decreased 39.0%, totaling Ps. 14,778 MM in the 2Q20. The impact of the health emergency due to the COVID-19 virus, where prevention and mitigation measures to preserve health implied the temporary closure of various department stores, restaurants and production plants, caused the sales of Grupo Sanborns and Grupo Condomex to decrease 66.1% and 31.3%, respectively. This was partially offset by higher sales at Carso Infraestructura y Construcción -which increased 37.0% - and in Carso Energy, division whose sales reached Ps. 277 MM.

**OP. INCOME**  
**\$295 MM**

The Group's **operating income** decreased 88.3%, totaling Ps. 295 MM, mainly due to the impacts on Grupo Sanborns and Grupo Condomex mentioned before. Carso Energy and Carso Infraestructura y Construcción improved their profitability.

**EBITDA**  
**\$1,197 MM**

- The **EBITDA** of Grupo Carso totaled Ps. 1,197 MM, being 64.3% less than Ps. 3,352 MM reported in the 2Q19, with an EBITDA margin of 8.1%.

- Higher accrued interest charged caused the **Comprehensive Financing Result (CFR)** to be an expense of Ps. 523 MM, being higher than a financial expense of Ps. 290 MM registered in the 1Q19.

**NET  
RESULT**  
**-\$49  
MM**

- **The controlling net result** was Ps. -49 MM compared to Ps. 1,836 MM in the 2Q19. This performance was mainly explained by the lower operation indicated above, as well as lower results in the Group's associated companies.

**Total debt** as of June 30, 2020 was Ps. 28,156 MM, increasing compared to the debt at the end of December 2019, which was Ps. 12,600 MM. This was explained by 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-Sásabe Gas Pipeline. **Net debt** was Ps. 15,476 MM, compared to a net debt of Ps. 2,741 MM as of December 31, 2019.

The amount of **cash and equivalents** for the 2Q20 totaled Ps. 12,679 MM compared to Ps. 9,859 MM at the end of December 2019.

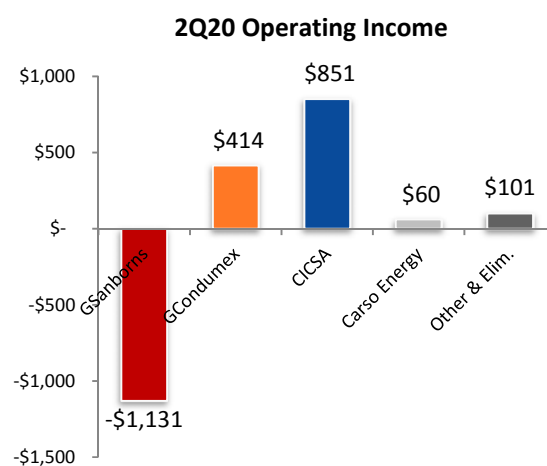
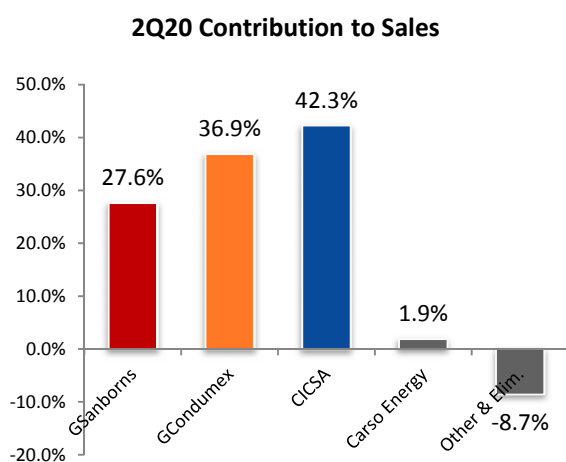
The net debt to LTM EBITDA ratio was 1.29x in the 2T20, compared to 0.19x at the end of the 4Q19. The Company has a dual stock certificate program authorized on February 17, 2017 for Ps. 10,000 MM, with an issue for Ps. 3,000 MM on March 16, 2018 and an issue of Ps. 3,500 MM on March 13, 2020, both with a 3-year maturity.

## SUMMARY

Amounts in Million Pesos MXN (MM)

Consolidated Results	2Q20	2Q19	Var %	6M20	6M19	Var %
Sales	<b>14,778</b>	24,235	-39.0%	<b>38,795</b>	47,067	-17.6%
Operating Income	<b>295</b>	2,520	-88.3%	<b>2,492</b>	5,105	-51.2%
Controlling Net Income	<b>-49</b>	1,836	-102.7%	<b>2,065</b>	3,551	-41.9%
EBITDA	<b>1,197</b>	3,352	-64.3%	<b>4,212</b>	6,652	-36.7%
Operating Margin	<b>2.0%</b>	10.4%		<b>6.4%</b>	10.8%	
EBITDA Margin	<b>8.1%</b>	13.8%		<b>10.9%</b>	14.1%	

## CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT



## FINANCIAL RESULTS

Financial Results	2Q20	2Q19	Var%	6M20	6M19	Var%
Interest Expense	-600.3	-186.4	222.0%	-1,143.9	-490.6	133.2%
Income (Loss) on derivatives net	-150.4	-148.7	1.1%	-354.5	-299.1	18.5%
Interest Income	388.8	53.9	621.8%	780.2	226.4	244.6%
<b>Interest (net)</b>	<b>-361.9</b>	<b>-281.3</b>	<b>28.6%</b>	<b>-718.1</b>	<b>-563.2</b>	<b>27.5%</b>
ForEx Results	-161.2	-8.5	1800.2%	2,082.9	-80.6	NA
<b>CFR</b>	<b>-523.1</b>	<b>-289.8</b>	<b>80.5%</b>	<b>1,364.8</b>	<b>-643.8</b>	<b>NA</b>
Income taxes	113.3	746.8	-84.8%	1,387.2	1,350.4	2.7%
Earnings from non-consolidated companies	124.8	533.1	-76.6%	-234.1	794.9	NA
Non-controlling participation in Net Income	-167.7	180.1	NA	171.3	354.8	-51.7%

NA= Not applicable

## RESULTS OF ASSOCIATED COMPANIES

2Q20	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	8,296.3	3,839.1	29.0	366.7
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,673.7	0.0	0.0	0.0
Construction projects Consortia	-	CICSA	-83.8	178.7	40.2	40.2
Trans-Pecos Pipeline, LLC (Gasoducto Waha-Presidio)	51.00%	Carso Energy	3,113.1	513.5	433.5	433.5
Comanche Trail Pipeline, LLC (Gasoducto Waha-San Elizario)	51.00%	Carso Energy	1,764.6	377.6	318.7	471.7
Inmuebles SROM, S.A. de C.V.	14.00%	Grupo Sanborns	1,723.9	45.1	23.2	19.9
Subtotal			16,487.8	4,954.0	844.6	1,332.0
Others investments in associated companies			1,223.6			
Total Investments in joint ventures ans associates			17,711.4			
			<b>Fair</b>			
<b>Companies at market value</b>			<b>Value</b>			
GMéxico Transportes, S.A.B. de C.V. (GMéxico)	15.14%	GCarso	15,707.7	3,492.2	982.7	1,521.8
Others			400.5			
Subtotal			16,108.2	8,446.2	1,827.3	2,853.8
Total Investments in shares			33,819.6			

## INTEREST BEARING LIABILITIES

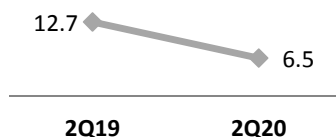
### Total Debt by CURRENCY

Pesos	Dollars
27%	73%

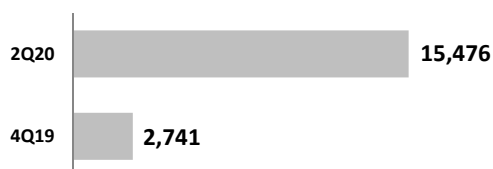
### Total Debt by TERM

Short T	Long T
16%	84%

**LTM EBITDA/Interest  
Expense**



**Net Debt (MM Ps)**



**RESULTS BY SEGMENT**

**RETAIL**

Consolidated Results	2Q20	2Q19	Var %	6M20	6M19	Var %
Sales	4,080	12,052	-66.1%	15,402	23,530	-34.5%
Operating Income	-1,131	1,040	-208.8%	-518	1,901	-127.2%
Controlling Net Income	-1,020	623	-263.8%	-717	1,158	-161.9%
EBITDA	-664	1,589	-141.8%	402	2,983	-86.5%
Operating Margin	-27.7%	8.6%		-3.4%	8.1%	
EBITDA Margin	-16.3%	13.2%		2.6%	12.7%	



Contribution to  
Consolidated Results  
**28% SALES**  
**-384% OP. INCOME**  
**-56% EBITDA**

*Note: For more information, please refer to the 2Q20 earnings release of Grupo Sanborns, S.A.B. de C.V..*

From April to June 2020, Grupo Sanborns **total sales** were Ps. 4,080 MM, decreasing 66.1%. The total closure of the Sears stores, the partial operation of Sanborns and the recommendation to "stay at home" to reduce the risks of contagion by COVID-19, led to a decrease in sales of non-essential products which partially migrated to the online channel. During May promotions were held for the "Hot Sale" with the availability of online sales and store pickup. Since the reopening of stores in June, a recovery is observed in sales.

The **operating income** was Ps. -1,131 million with an operating margin of -27.7% versus 8.6% last year. Gross margin improved 110 basis points on greater share of credit revenues from both Sears and Sanborns. Operating expenses decreased 26.7% due to lower expansion expenses in the case of administration, and in the case of selling expenses, due to lower consumption of energy, renegotiation of rents, lower advertising expenses and other expenses. Additional measures continue to be implemented to reduce overhead, without affecting the image and service.

**Quarterly EBITDA** decreased to Ps.-664 MM with a margin of -16.3%.

**Controlling Net Result** for the 2Q20 totaled Ps. -1,020 MM, being lower than Ps. 623 million recorded in the 2Q19.

INDUSTRIAL

Consolidated Results	2Q20	2Q19	Var %	6M20	6M19	Var %
Sales	<b>5,447</b>	7,930	-31.3%	<b>13,672</b>	15,818	-13.6%
Operating Income	<b>414</b>	893	-53.6%	<b>1,380</b>	1,904	-27.5%
Controlling Net Income	<b>84</b>	758	-88.9%	<b>1,209</b>	1,278	-5.3%
EBITDA	<b>559</b>	1,039	-46.3%	<b>1,670</b>	2,111	-20.9%
Operating Margin	<b>7.6%</b>	11.3%		<b>10.1%</b>	12.0%	
EBITDA Margin	<b>10.3%</b>	13.1%		<b>12.2%</b>	13.3%	



Contribution to  
Consolidated Results  
37% SALES  
141% OP. INCOME  
47% EBITDA

In 2Q20 the **sales** of Grupo Condumex decreased 31.3%, totaling Ps. 5,447 MM. The worldwide pandemic due to COVID-19 virus affected all sectors of the industrial division due to the drop in customer orders and the closure of strategic sectors such as the automotive industry, even though there was a benefit in revenues due to the effects of the average FIX exchange rate that went from MXN/USD \$19.1 in the 2Q19 to MXN/USD \$23.3 in the 2Q20.

The main reduction occurred in Automotive, where the most important customers had work stoppages. The June 2020 results for this sector already show a significant recovery compared to the months of April and May.

At Telecom, the volume of copper, fiber optic and coaxial cable decreased, offset partially by other products. On the other hand, the suspension of the construction sector by COVID-19 also had an impact, reducing the sales of energy cables and turnkey projects.

**Operating income** decreased 53.6%, totaling Ps. 84 MM affected mainly by the automotive sector.

**EBITDA** decreased 46.3%, totaling \$ 559 MM compared to Ps. 1,039 MM registered in 2Q19.

Grupo Condumex's **controlling net income** decreased 88.9%, going from Ps. 758 MM to Ps. 84 MM mainly due to the lower volumes mentioned in all markets.

INFRASTRUCTURE AND CONSTRUCTION

Consolidated Results	2Q20	2Q19	Var %	6M20	6M19	Var %
Sales	6,245	4,557	37.0%	11,459	8,687	31.9%
Operating Income	851	390	118.2%	1,317	917	43.7%
Controlling Net Income	507	164	208.5%	1,298	623	108.3%
EBITDA	1,040	524	98.4%	1,667	1,173	42.1%
Operating Margin	13.6%	8.6%		11.5%	10.6%	
EBITDA Margin	16.7%	11.5%		14.5%	13.5%	

**carso**  
INFRAESTRUCTURA Y CONSTRUCCIÓN

Contribution to  
Consolidated Results  
42% SALES  
289% OP. INCOME  
87% EBITDA

The **sales** of Carso Infraestructura y Construcción increased 37.0% reaching Ps. 6,245 MM in the second quarter of the year. This was mainly due to the Manufacturing and Services for the Oil and Chemical Industry division, which continued with the construction of the Maloob E-I platforms for Pemex and registered greater activity in directional drilling of geothermal wells and cementing services for oil wells. The Pipeline Installation division improved its revenues 26.9% due to the increase in volumes of various telecommunications projects and the progress of the Samalayuca-Sásabe gas pipeline, while Infrastructure improved 66.3% due to the different highway projects that generated higher income. On the other hand, the civil construction and housing division decreased 31.9% due to the health contingency.

Due to the aforementioned, **quarterly operating profit and EBITDA** increased 118.2% and 98.4%, respectively.

**Net controlling income** improved 208.5%, going from Ps. 164 MM in the 2Q19 to Ps. 507 MM in the 2Q20.

The mix of projects at the end of June 2020 includes the construction of the Las Varas-Vallarta, Mitla-Tehuantepec and Las Playas corridors in Panama, various real estate projects, the services of telecommunications facilities, the construction of the gas pipeline Samalayuca-Sásabe, the Maloob E-I oil platforms, various services and equipment for the oil industry, as well as the start of the construction of the platform and track for section 2 Escárcega-Calkiní of the Mayan Train.

**Carso Infraestructura's backlog** totaled Ps. 42,753 MM as of June 30, 2020, compared to Ps. 21.0284 MM in the same period of the previous year.

CARSO ENERGY



Consolidated Results	2Q20	2Q19	Var %	6M20	6M19	Var %
Sales	277	16	1675.6%	408	30	1278.4%
Operating Income	60	1	10124.1%	10	-1	NA
Controlling Net Income	115	131	-12.0%	671	271	147.3%
EBITDA	169	2.1	8118.2%	183	2	9585.7%
Operating Margin	21.7%	3.8%		2.5%	-2.9%	
EBITDA Margin	60.9%	13.2%		44.9%	6.4%	

Contribution to  
Consolidated Results  
2% SALES  
20% OP. INCOME  
15% EBITDA

Carso Energy's **consolidated sales** amounted to Ps. 277 MM in the 2Q20 compared to Ps. 16 MM in the 2Q19. The additional income was basically due to the two hydroelectric plants in Panama, that were acquired last February.

**Operating income** went from Ps. 1 MM to Ps. 60 MM in the 2Q20, while EBITDA improved from Ps. 2 to Ps. 169 MM, including the aforementioned hydroelectric plants.

Carso Energy's **controlling net income** was Ps. 115 MM compared to Ps. 131 MM in the 2Q19 due to the results of the gas pipelines in Texas, where we recognized 51% of its profits and had extraordinary income from effects of the exchange rate.

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**INVITATION TO THE CONFERENCE CALL:**

Date: Friday July 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: 10146544 (Available until August 05, 2020)

**ADDITIONAL CHARTS:**

<b>Consolidated Financial Income Data</b>										
Million PESOS (MXN)										
	2Q20		2Q19		Var %	6M20		6M19		Var %
<b>GRUPO CARSO</b>										
Revenues	<b>14,778.4</b>	100.0%	24,234.7	100.0%	-39.0%	<b>38,795.3</b>	100.0%	47,067.5	100.0%	-17.6%
Operating Income	<b>294.5</b>	2.0%	2,519.9	10.4%	-88.3%	<b>2,492.5</b>	6.4%	5,105.1	10.8%	-51.2%
Financial Results	<b>-523.1</b>	-3.5%	-289.8	-1.2%	80.5%	<b>1,364.8</b>	3.5%	-643.8	-1.4%	NA
Controlling Net Income	<b>-49.3</b>	-0.3%	1,836.3	7.6%	NA	<b>2,064.7</b>	5.3%	3,550.9	7.5%	-41.9%
EBITDA	<b>1,196.9</b>	8.1%	3,351.6	13.8%	-64.3%	<b>4,211.7</b>	10.9%	6,651.7	14.1%	-36.7%
<b>GRUPO SANBORNS</b>										
Sales	<b>4,079.6</b>	100.0%	12,051.6	100.0%	-66.1%	<b>15,402.3</b>	100.0%	23,530.0	100.0%	-34.5%
Operating Income	<b>-1,131.0</b>	-27.7%	1,039.8	8.6%	NA	<b>518.0</b>	-3.4%	1,901.1	8.1%	NA
Controlling Net Income	<b>-1,020.2</b>	-25.0%	622.9	5.2%	NA	<b>716.7</b>	-4.7%	1,157.6	4.9%	NA
EBITDA	<b>-664.1</b>	-16.3%	1,589.3	13.2%	NA	<b>401.8</b>	2.6%	2,982.8	12.7%	-86.5%
<b>GRUPO CONDUMEX</b>										
Sales	<b>5,446.8</b>	100.0%	7,929.9	100.0%	-31.3%	<b>13,672.3</b>	100.0%	15,817.5	100.0%	-13.6%
Operating Income	<b>414.5</b>	7.6%	892.5	11.3%	-53.6%	<b>1,379.6</b>	10.1%	1,904.2	12.0%	-27.5%
Controlling Net Income	<b>84.3</b>	1.5%	757.8	9.6%	-88.9%	<b>1,209.4</b>	8.8%	1,277.6	8.1%	-5.3%
EBITDA	<b>558.6</b>	10.3%	1,039.4	13.1%	-46.3%	<b>1,670.4</b>	12.2%	2,110.9	13.3%	-20.9%
<b>CICSA</b>										
Sales	<b>6,245.5</b>	100.0%	4,557.2	100.0%	37.0%	<b>11,458.8</b>	100.0%	8,687.3	100.0%	31.9%
Operating Income	<b>850.8</b>	13.6%	389.9	8.6%	118.2%	<b>1,317.2</b>	11.5%	916.6	10.6%	43.7%
Controlling Net Income	<b>507.2</b>	8.1%	164.4	3.6%	208.5%	<b>1,297.9</b>	11.3%	623.2	7.2%	108.3%
EBITDA	<b>1,040.1</b>	16.7%	524.2	11.5%	98.4%	<b>1,666.9</b>	14.5%	1,172.9	13.5%	42.1%
<b>CARSO ENERGY</b>										
Sales	<b>276.8</b>	100.0%	15.6	1.0	1675.6%	<b>407.9</b>	100.0%	29.6	1.0	1278.4%
Operating Income	<b>60.1</b>	21.7%	0.6	0.0	10124.1%	<b>10.3</b>	2.5%	-0.8	NA	NA
Controlling Net Income	<b>115.2</b>	41.6%	131.0	8.4	-12.0%	<b>671.2</b>	164.5%	271.4	9.2	147.3%
EBITDA	<b>168.6</b>	60.9%	2.1	0.1	8118.2%	<b>183.1</b>	44.9%	1.9	0.1	9585.7%

<b>Consolidated Balance Sheet Data</b>			
Million PESOS(MXN)			
	2Q20	4Q19	Var %
<b>GRUPO CARSO</b>			
Cash & Equivalents	9,209.4	8,157.9	12.9%
Trade Receivables	20,195.5	22,613.4	-10.7%
Accounts Receivable to Related Parties	4,875.7	4,954.6	-1.6%
Other Accounts Receivable	7,920.7	5,415.4	46.3%
Recoverable Taxes	872.7	630.1	38.5%
Other Financial Assets	3,470.1	1,701.4	104.0%
Inventories	17,028.5	17,652.6	-3.5%
<b>Current Assets</b>	<b>63,572.6</b>	<b>61,125.3</b>	<b>4.0%</b>
Other Non-Current Trade Receivables	1,196.3	1,247.3	-4.1%
Non-Current Inventories	993.5	993.5	0.0%
Other Non-Current Financial Assets	0.0	16.5	-100.0%
Investments in Associates	33,819.6	34,882.6	-3.0%
Property, Plant and Equipment	53,211.7	36,535.2	45.6%
Investment Properties	3,233.6	3,233.9	0.0%
Assets for Rights of Use	5,443.4	5,634.2	-3.4%
Intangible Assets	1,735.4	1,470.4	18.0%
Deferred Tax Assets	5,516.6	4,627.6	19.2%
Other Non-Current Non-Financial Assets	443.6	687.5	-35.5%
<b>Non-Current Assets</b>	<b>105,593.7</b>	<b>89,328.6</b>	<b>18.2%</b>
<b>Total Assets</b>	<b>169,166.2</b>	<b>150,453.9</b>	<b>12.4%</b>
Suppliers	7,517.5	10,884.7	-30.9%
Other Short-Term Accounts Payable	6,942.2	7,646.3	-9.2%
Short-Term Taxes Payable	1,192.5	1,200.8	-0.7%
Short-Term Debt	4,504.3	417.5	978.8%
Short-Term Bank Debt	188.2	0.3	72271.2%
Short-Term Lease Liabilities	1,380.1	1,369.3	0.8%
Other Current Non-Financial Liabilities	4,369.4	3,648.1	19.8%
Current Provisions	6,566.5	4,721.3	39.1%
<b>Current Liabilities</b>	<b>32,660.7</b>	<b>29,888.4</b>	<b>9.3%</b>
Long-Term Taxes Payable	1,267.7	1,438.1	-11.8%
Bank loans non-current	20,151.6	9,182.8	119.5%
Stock market loans non-current	3,500.0	3,000.0	16.7%
Other non-current financial liabilities	2,055.9	607.5	238.4%
Long-Term Lease Liabilities	5,106.7	5,360.9	
Long-Term Provisions	1,172.1	1,223.3	-4.2%
Deferred Tax Liabilities	5,283.7	5,108.5	3.4%
<b>Non-Current Liabilities</b>	<b>38,537.8</b>	<b>25,921.0</b>	<b>48.7%</b>
<b>Total Liabilities</b>	<b>71,198.5</b>	<b>55,809.4</b>	<b>27.6%</b>
<b>Stockholder's Equity</b>	<b>97,967.7</b>	<b>94,644.6</b>	<b>3.5%</b>
Shares Outstanding ( '000)	2,278,366	2,279,648.7	-0.1%
Closing Stock Price	44.8	69.8	-35.8%

NA=Not Applicable