

Third Quarter 2020 Results

Mexico City, October 21, 2020, Grupo Carso S.A.B. de C.V. ("The Group", "Grupo Carso", BMV: GCARSO OTC: GPOVY) announced today its results for the third quarter of 2020.

RELEVANT AND CORPORATE EVENTS

- **Since the beginning of the health emergency caused by the COVID-19 virus, Grupo Carso implemented various prevention and mitigation measures to preserve the health of customers, employees, suppliers and the general population.** As of that date, investments stopped in the retail division and the payment of dividends was not scheduled for this year. **Strict operating expense control was carried out in all divisions,** without affecting the image or service. Inventories were optimized and we maintained financial balance and commitments with customers.
- Since June 15, 2020 operations were reactivated in the cable and auto parts manufacturing plants and in mid-August all the brick & mortar stores of the commercial division were operating, where as of September 23 the closing hours were extended. The gradual normalization of daily activities continues, and with it the orders in the industrial division, and customer traffic in stores and restaurants, still considering capacity restrictions. Our operation centers continue to comply with all the protocols established by the health authority.
- Grupo Sanborns informed the investing public on September 25, that due to the restructuring of Grupo Sanborns, S.A.B de C.V., in which several companies of Sanborn Hermanos, S.A. de C.V. and Sears Operadora México, S.A. de C.V. merged, and with the aim of maintaining greater efficiency with the synergies, the operations of Sanborn Hermanos, S.A. de C.V. and Sears Operadora México, S.A. de C.V. integrated; **Rodrigo Hajj Slim, Managing Director of Sanborn Hermanos, S.A. de C.V. also assumed the General Management of Sears Operadora México, S.A. de C.V.,** reporting to Mr. Patrick Slim Domit.
- On July 31 of the current year, Sanborn Hermanos S.A. de C.V. merged its subsidiary Comercializadora de Tiendas Internacionales, S.A. de C.V.; Promotora Musical, S.A. de C.V. merged its subsidiary Paden, S.A. de C.V. and Sears Operadora México S.A. de C.V. merged its subsidiary Secorh, S.A. de C.V.

HIGHLIGHTS

SALES
\$24,738 MM

- o **Sales** of Grupo Carso decreased 4.0%, totaling Ps. 24,738 MM. **Carso Infraestructura and Grupo Condomex increased their sales 19.5% and 9.2%, respectively**, and Carso Energy's sales reached Ps. 268 MM. The growth in these divisions partially offset the 23.0% reduction in Grupo Sanborns, where prevention and mitigation measures due to the health emergency caused by COVID-19 virus affected consumption in stores and restaurants. All units are currently open following strict health restrictions such as reduced hours and capacity. However, a gradual normalization of daily activities is observed and with it a sequential recovery in customer traffic.

**OTHER INCOME
(EXPENSES) NET**
\$1.167 MM

- o **Other Income, net** was recorded for Ps. 1,167 MM in the 3Q20, corresponding to the reassessment of the benefits of the employee pension plan of the commercial division; which compared favorably versus Other Income, net of Ps. 2.0 MM in the 3Q19.

OP. INCOME
\$3,337 MM

- o **Operating income** for the quarter reported totaled Ps. 3,337 MM, compared to Ps. 3,122 MM in the 3Q19. Grupo Sanborns improved its profitability 20.1% influenced by the extraordinary item mentioned above, while the profitability of the normal operations of Grupo Condomex grew 29.2% and of Carso Energy 1,731%.

EBITDA
\$3,045 MM

- o Excluding the extraordinary item mentioned above, the **EBITDA** of Grupo Carso decreased 22.6% in the 3Q20, totaling Ps. 3,045 MM.
- o ForEx variations, coupled with higher accrued interest charged, caused the **Comprehensive Financing Result (CFR)** to be an expense of Ps. 438 MM, being higher than a Financial expense of Ps. 189 MM recorded in the 3Q19.

NET INCOME
\$2,723 MM

- o **The controlling net income** was Ps. 2,723 MM compared to Ps. 2,167 MM in the 3Q19. The 25.7% growth was mainly explained by the improvement in the operating result, including the extraordinary item mentioned above; as well as a greater share in the results of the Associated companies of the Group.

Debt as of September 30, 2020 was Ps. 27,052 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 Foreign exchange effect on the debt related to the Samalayuca-Sasabe Gas Pipeline. **Net debt** was Ps. 14,560 MM, compared to a net debt of Ps. 2,741 MM as of December 31, 2019.

The amount of **cash and equivalents** for the 3Q20 totaled Ps. 12,492 MM compared to Ps. 9,859 MM at the end of December 2019.

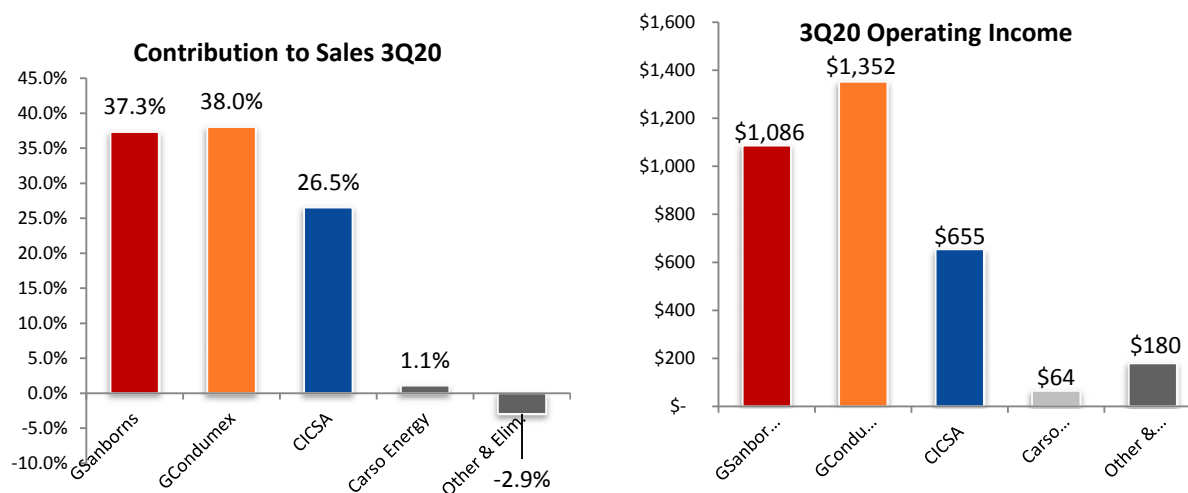
The net debt to LTM EBITDA ratio was 1.31x in the 3Q20, compared to 0.19x at the end of the 4Q19. The Company has a dual stock certificate program authorized on February 17, 2017 for Ps. 10,000 MM, with an issue for Ps. 3,000 MM on March 16, 2018 and an issue of Ps. 3,500 MM on March 13, 2020, both with a 3-year maturity.

SUMMARY

Amounts in Million Pesos MXN (MM)

Consolidated Results	3Q20	3Q19	Var %	9M20	9M19	Var %
Sales	24,738	25,778	-4.0%	63,533	72,845	-12.8%
Operating Income	3,337	3,122	6.9%	5,829	8,227	-29.1%
Controlling Net Income	2,723	2,167	25.7%	4,788	5,718	-16.3%
EBITDA	3,045	3,936	-22.6%	7,257	10,588	-31.5%
Operating Margin	13.5%	12.1%		9.2%	11.3%	
EBITDA Margin	12.3%	15.3%		11.4%	14.5%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT



FINANCIAL RESULTS

Financial Results	3Q20	3Q19	Var%	9M20	9M19	Var%
Interest Expense	-623.3	-280.9	121.9%	-1,767.2	-771.4	129.1%
Income (Loss) on derivatives net	27.6	-151.0	NA	-326.8	-450.1	-27.4%
Interest Income	293.5	138.5	111.9%	1,073.7	364.9	194.2%
Interest (net)	-302.2	-293.3	3.0%	-1,020.3	-856.5	19.1%
ForEx Results	-135.4	104.1	NA	1,947.5	23.6	8169.4%
CFR	-437.6	-189.2	131.3%	927.2	-833.0	NA
Income taxes	388.7	842.6	-53.9%	1,775.9	2,193.1	-19.0%
Earnings from non-consolidated companies	514.0	299.0	71.9%	280.0	1,093.9	-74.4%
Non-controlling participation in Net Income	301.3	222.1	35.7%	472.6	576.9	-18.1%

NA= Not applicable

RESULTS OF ASSOCIATED COMPANIES

3Q20	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	8,405.9	6,566.0	264.1	817.4
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,754.0	0.0	0.0	0.0
Construction projects Consortia	-	CICSA	-82.0	179.4	39.8	39.8
Trans-Pecos Pipeline, LLC (Gasoducto Waha-Presidio)	51.00%	Carso Energy	3,171.4	785.1	629.5	629.5
Comanche Trail Pipeline, LLC (Gasoducto Waha-San Elizario)	51.00%	Carso Energy	1,868.9	575.4	509.0	509.0
Inmuebles SROM, S.A. de C.V.	14.00%	Grupo Sanborns	1,742.6	69.8	37.4	26.2
Subtotal			16,860.8	8,175.7	1,479.8	2,021.9
Others investments in associated companies			1,089.5			
Total Investments in joint ventures ans associates			17,950.3			
			Fair Value			
Companies at market value						
GMéxico Transportes, S.A.B. de C.V. (GMéxico)	15.14%	GCarso	17,626.1	5,291.2	1,520.4	2,319.3
Others			429.5			
Subtotal			18,055.6	13,466.9	3,000.2	4,341.2
Total Investments in shares			36,005.9			

INTEREST BEARING LIABILITIES

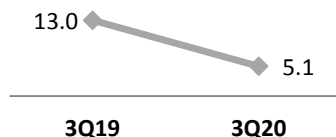
Total Debt by CURRENCY

Pesos	Dollars
26%	74%

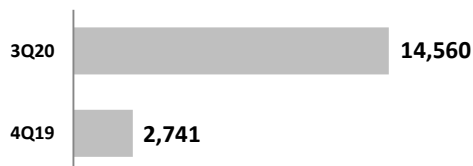
Total Debt by TERM

Short T	Long T
15%	85%

**LTM EBITDA/Interest
Expense**



Net Debt (MM Ps)



RESULTS BY SEGMENT

RETAIL

Consolidated Results	3Q20	3Q19	Var %	9M20	9M19	Var %
Sales	9,232	11,988	-23.0%	24,635	35,518	-30.6%
Operating Income	1,086	904	20.1%	568	2,805	-79.8%
Controlling Net Income	975	556	75.4%	259	1,714	-84.9%
EBITDA	381	1,440	-73.5%	783	4,423	-82.3%
Operating Margin	11.8%	7.5%		2.3%	7.9%	
EBITDA Margin	4.1%	12.0%		3.2%	12.5%	



Contribution to
Consolidated Results
37% SALES
33% OP. INCOME
13% EBITDA

Note: For more information, please refer to the 3Q20 earnings release of Grupo Sanborns, S.A.B. de C.V..

Grupo Sanborns' **total sales** were Ps. 9,232 million, decreasing 23.0%. Big-ticket sales were positively influenced by the "Back to School" season, with a good performance in technology and electronic items; not so in fashion, with less apparel and footwear demand due to remote classes, coupled with the health restriction of not being able to try the clothing at the stores. The dynamism of e-commerce sales continued, which grew 4.0x. All units are fully open in the country, although with various restrictions on hours and percentage of capacity. The normalization of daily activities continues, with a gradual increase in customer traffic to all formats.

During the 3Q20, **Other Income** of Ps. 1,167 MM was recorded from the reassessment of the employee pension plan. This compared favorably versus Other Income of Ps. 14 MM recorded in the 3Q19.

Operating expenses were reduced by 17.9% due to lower expansion and corporate expenses in the case of administration, and in the case of selling expenses, due to lower consumption of energy and renegotiation of rents, as well as other expenses. Additional measures are still being implemented to reduce general expenses without affecting the image and service.

Therefore, the **operating income** totaled Ps. 1,086 MM with a margin of 11.8%.

Without considering the extraordinary item, the **quarterly EBITDA** decreased 73.5% totaling Ps. 381 million, with a margin of 4.1% compared to an EBITDA of Ps. 1,440 million in the 3Q19.

The **Controlling Net Income** increased 75.4% totaling Ps. 975 million, compared to the 3Q19, which was a net profit of Ps. 556 million.

INDUSTRIAL

Consolidated Results	3Q20	3Q19	Var %	9M20	9M19	Var %
Sales	9,409	8,617	9.2%	23,081	24,435	-5.5%
Operating Income	1,352	1,046	29.2%	2,732	2,950	-7.4%
Controlling Net Income	1,030	718	43.4%	2,239	1,996	12.2%
EBITDA	1,513	1,188	27.4%	3,184	3,299	-3.5%
Operating Margin	14.4%	12.1%		11.8%	12.1%	
EBITDA Margin	16.1%	13.8%		13.8%	13.5%	



Contribution to
Consolidated Results
38% SALES
41% OP. INCOME
50% EBITDA

In the 3Q20 **the sales** of Grupo Consumex increased 9.2%, totaling Ps. 9,409 MM. This was due to the recovery in volume that occurred after the pandemic, combined with higher sales prices due to the favorable copper trend and the average exchange rate, which went from MXN/USD Ps. 19.4 in the 3Q19 to MXN/USD Ps. 22.1 in the 3Q20, as well as higher metal sales. Automotive grew 10.9%, with a better performance in automotive harnesses and automotive cable. Both results partially offset the reduction in Telecom, where volumes of copper, fiber optic and coaxial cable decreased.

Operating income and EBITDA increased 29.2% and 27.4%, respectively. This improvement in profitability was mainly explained by the Automotive sector, with a volume of cables with better margin, the exchange rate and lower operating expenses.

Grupo Consumex's **controlling net income** increased 43.4% from Ps. 718 MM to Ps. 1,030 MM.

INFRASTRUCTURE AND CONSTRUCTION

Consolidated Results	3Q20	3Q19	Var %	9M20	9M19	Var %
Sales	6,561	5,490	19.5%	18,020	14,177	27.1%
Operating Income	655	985	-33.6%	1,972	1,902	3.7%
Controlling Net Income	422	777	-45.7%	1,719	1,399	22.8%
EBITDA	809	1,121	-27.8%	2,476	2,294	7.9%
Operating Margin	10.0%	18.0%		10.9%	13.4%	
EBITDA Margin	12.3%	20.4%		13.7%	16.2%	

carso
INFRAESTRUCTURA Y CONSTRUCCIÓN

Contribution to
Consolidated Results
27% SALES
20% OP. INCOME
27% EBITDA

The **sales** of Carso Infraestructura y Construcción increased 19.5% in the third quarter of the year reaching Ps. 6,561. This was mainly due to Manufacturing and Services for the Oil and Chemical Industry division, with additional Ps. 966 MM in structures and equipment where the construction of the Maloob E-I platforms for Pemex progressed, and the works for the construction of three MIU platforms (Marine Infrastructure Units) started. Revenues from land drilling also increased, with the reactivation of the contract for repairing oil wells. The Pipeline Installations division improved its revenues 16.6% considering higher volumes from various telecommunications projects and the completion of the Samalayuca-Sasabe gas pipeline. Infrastructure included the Maya Train section II and Mitla-Tehuantepec Stage 2 projects, with revenues increasing 13.6%.

Consolidated operating income and EBITDA decreased 33.6% and 27.8%, respectively. The Civil Construction and Housing division was affected by the health contingency, where projects currently work at a 40% capacity. Likewise, in 2019 extraordinary income was recognized from the recovery of costs related to the contracts for the construction of funnels for the NAICM. The profitability of the Pipeline Installation sector was reduced, since additional contractors and construction personnel for the completion of the Samalayuca-Sasabe gas pipeline were hired.

Net controlling income decreased 45.7%, going from Ps. 777 MM in the 3Q19 to Ps. 422 MM in the 3Q20.

The mix of projects at the end of September 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, 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 Escarcega-Calkini of the Mayan Train.

Carso Infraestructura's backlog totaled Ps. 45,979 MM as of September 30, 2020, compared to Ps. 19,005 MM in the same period of the previous year.

CARSO ENERGY



Consolidated Results	3Q20	3Q19	Var %	9M20	9M19	Var %
Sales	268	11	2255.8%	676	41	1549.8%
Operating Income	64	-4	NA	75	-5	NA
Controlling Net Income	165	146	12.8%	837	418	100.3%
EBITDA	168	-1.9	NA	351	0	NA
Operating Margin	24.0%	-34.7%		11.1%	-11.8%	
EBITDA Margin	62.6%	-16.6%		51.9%	-0.1%	

Contribution to
Consolidated Results
1% SALES
2% OP. INCOME
6% EBITDA

Carso Energy's **consolidated sales** amounted to Ps. 268 MM in the 3Q20 compared to Ps. 11 MM in the 3Q19. The additional income was basically due to the two hydroelectric plants in Panama, that were acquired last February.

Operating income went from Ps. -4 MM to Ps. 64 MM in the 3Q20, while EBITDA improved from Ps. -2 to Ps. 168 MM, including the aforementioned hydroelectric plants.

Carso Energy's **controlling net income** was Ps. 165 MM compared to Ps. 146 MM in the 3Q19, a 12.8% increase due to the results of the gas pipelines in Texas, where we recognized 51% of its profits and recorded extraordinary income from foreign exchange rate effects.

CONTACTS FOR INVESTORS:

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

Arturo Spinola Garcia
CFO of Condumex and Carso Infraestructura y Construccion
T. +52 (55) 5249-8910
aspinola@carso.com.mx

INVITATION TO THE CONFERENCE CALL:

Date: Thursday, October 22, 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: 10149283 (Available until November 02, 2020)

ADDITIONAL CHARTS:

Consolidated Financial Income Data										
Million PESOS (MXN)										
	3Q20		3Q19		Var %	9M20		9M19		Var %
GRUPO CARSO										
Revenues	24,737.9	100.0%	25,777.8	100.0%	-4.0%	63,533.2	100.0%	72,845.3	100.0%	-12.8%
Operating Income	3,336.9	13.5%	3,122.1	12.1%	6.9%	5,829.3	9.2%	8,227.2	11.3%	-29.1%
Financial Results	-437.6	-1.8%	-189.2	-0.7%	131.3%	927.2	1.5%	-833.0	-1.1%	NA
Controlling Net Income	2,723.3	11.0%	2,167.2	8.4%	25.7%	4,788.0	7.5%	5,718.1	7.8%	-16.3%
EBITDA	3,045.4	12.3%	3,936.3	15.3%	-22.6%	7,257.0	11.4%	10,587.9	14.5%	-31.5%
GRUPO SANBORNS										
Sales	9,232.3	100.0%	11,987.8	100.0%	-23.0%	24,634.6	100.0%	35,517.8	100.0%	-30.6%
Operating Income	1,085.8	11.8%	904.3	7.5%	20.1%	567.8	2.3%	2,805.4	7.9%	-79.8%
Controlling Net Income	975.5	10.6%	556.1	4.6%	75.4%	258.8	1.1%	1,713.7	4.8%	-84.9%
EBITDA	381.3	4.1%	1,439.7	12.0%	-73.5%	783.1	3.2%	4,422.5	12.5%	-82.3%
GRUPO CONDUMEX										
Sales	9,408.9	100.0%	8,617.2	100.0%	9.2%	23,081.1	100.0%	24,434.7	100.0%	-5.5%
Operating Income	1,352.1	14.4%	1,046.2	12.1%	29.2%	2,731.7	11.8%	2,950.4	12.1%	-7.4%
Controlling Net Income	1,029.9	10.9%	718.4	8.3%	43.4%	2,239.3	9.7%	1,996.0	8.2%	12.2%
EBITDA	1,513.3	16.1%	1,187.8	13.8%	27.4%	3,183.7	13.8%	3,298.6	13.5%	-3.5%
CICSA										
Sales	6,561.1	100.0%	5,489.8	100.0%	19.5%	18,019.9	100.0%	14,177.1	100.0%	27.1%
Operating Income	654.6	10.0%	985.4	18.0%	-33.6%	1,971.8	10.9%	1,902.1	13.4%	3.7%
Controlling Net Income	421.9	6.4%	776.6	14.1%	-45.7%	1,718.6	9.5%	1,399.4	9.9%	22.8%
EBITDA	809.0	12.3%	1,120.8	20.4%	-27.8%	2,476.0	13.7%	2,293.7	16.2%	7.9%
CARSO ENERGY										
Sales	268.1	100.0%	11.4	1.0	2255.8%	676.0	100.0%	41.0	1.0	1549.8%
Operating Income	64.5	24.0%	-4.0	-0.3	NA	74.7	11.1%	-4.8	NA	NA
Controlling Net Income	165.0	61.6%	146.3	12.9	12.8%	837.5	123.9%	418.1	10.2	100.3%
EBITDA	167.8	62.6%	-1.9	-0.2	NA	350.9	51.9%	0.0	0.0	NA

Consolidated Balance Sheet Data			
Million PESOS(MXN)			
	3Q20	4Q19	Var %
GRUPO CARSO			
Cash & Equivalents	11,066.0	8,157.9	35.6%
Trade Receivables	21,672.9	22,613.4	-4.2%
Accounts Receivable to Related Parties	5,389.3	4,954.6	8.8%
Other Accounts Receivable	7,596.1	5,415.4	40.3%
Recoverable Taxes	702.7	630.1	11.5%
Other Financial Assets	1,426.0	1,701.4	-16.2%
Inventories	15,351.2	17,652.6	-13.0%
Current Assets	63,204.3	61,125.3	3.4%
Other Non-Current Trade Receivables	1,085.7	1,247.3	-13.0%
Non-Current Inventories	993.5	993.5	0.0%
Other Non-Current Financial Assets	0.0	16.5	-100.0%
Investments in Associates	36,006.0	34,882.6	3.2%
Property, Plant and Equipment	52,350.1	36,535.2	43.3%
Investment Properties	3,233.5	3,233.9	0.0%
Assets for Rights of Use	5,279.5	5,634.2	-6.3%
Intangible Assets	1,824.4	1,470.4	24.1%
Deferred Tax Assets	5,950.0	4,627.6	28.6%
Other Non-Current Non-Financial Assets	1,151.6	687.5	67.5%
Non-Current Assets	107,874.3	89,328.6	20.8%
Total Assets	171,078.6	150,453.9	13.7%
Suppliers	8,229.0	10,884.7	-24.4%
Other Short-Term Accounts Payable	6,148.5	7,646.3	-19.6%
Short-Term Taxes Payable	1,702.6	1,200.8	41.8%
Short-Term Debt	3,952.8	417.5	846.7%
Short-Term Bank Debt	165.3	0.3	63458.5%
Short-Term Lease Liabilities	1,327.9	1,369.3	-3.0%
Other Current Non-Financial Liabilities	3,000.6	3,648.1	-17.7%
Current Provisions	7,930.3	4,721.3	68.0%
Current Liabilities	32,456.9	29,888.4	8.6%
Long-Term Taxes Payable	991.6	1,438.1	-31.0%
Bank loans non-current	19,598.9	9,182.8	113.4%
Stock market loans non-current	3,500.0	3,000.0	16.7%
Other non-current financial liabilities	1,879.3	607.5	209.4%
Long-Term Lease Liabilities	4,942.5	5,360.9	
Long-Term Provisions	763.5	1,223.3	-37.6%
Deferred Tax Liabilities	5,124.0	5,108.5	0.3%
Non-Current Liabilities	36,799.8	25,921.0	42.0%
Total Liabilities	69,256.7	55,809.4	24.1%
Stockholder's Equity	101,822.0	94,644.6	7.6%
Shares Outstanding ('000)	2,273,792	2,279,648.7	-0.3%
Closing Stock Price	45.4	69.8	-34.9%
NA=Not Applicable			