

Grupo Sanborns S.A.B. de C.V.

Earnings Report

1Q 2022

Mexico City, April 25, 2022 – Grupo Sanborns, S.A.B. de C.V. (BMV: GSANBOR)

Results for the first quarter of 2022.

Highlights of the Quarter:

- Sales grew 29.5% to Ps. 13,499 million.
- Gross profit increased 33.8% with gross margin increasing from 31.6% to 32.7% of sales.
- The percentage of non-performing loans over 90 days improved to 2.8% from 5.8% in the 1Q21.
- Loan income increased 12.2% compared to the 1Q21.
- Operating income was a gain of Ps. 599 million in the 1Q22 compared to a loss of Ps. 155 million in the 1Q21.
- Quarterly EBITDA improved 228.3% to Ps. 1,086 million in the 1Q22 vs. Ps. 331 million in the 1Q21, with the margin improving from 3.2% to 8.0%.
- The Controlling net income was Ps. 494 million in the 1Q22 compared to a loss of Ps. 196 million in the 1Q21.
- Comprehensive financing result was an income of Ps. 9 million, which compared favorably versus an expense of Ps. 94 million in the same quarter last year.
- Cash and cash equivalents increased Ps. 3,975 million, 217.2% vs. 1Q21.
- Inventories increased Ps. 1,714 million, 15.4%, from Ps. 11,107 in the 1Q21 to Ps. 12,821 in the 1Q22.
- We increased trade accounts receivable and sundry debtors by Ps. 877 million, 10.2%.

FINANCIAL SUMMARY (Million Pesos, MM MXN)

Consolidated Results	1Q22	1Q21	Var%
Revenues	13,499	10,422	29.5%
Gross Profit	4,411	3,296	33.8%
Operating Income	599	-155	NC
Controlling Net Income	494	-196	NC
EBITDA	1,086	331	228.3%
Gross Margin	32.7%	31.6%	
Operating Margin	4.4%	-1.5%	
EBITDA Margin	8.0%	3.2%	
Net Margin	3.7%	-1.9%	

NC: Not Comparable

**CAPITAL EXPENDITURES (CapEx)**

Capital expenditures as of March 31, 2022 totaled Ps. 94.6 million, which was 56.7% higher than the previous year's figure of Ps. 60.4 million, mainly **due to the acquisition of furniture and equipment, store remodeling and the opening of iShop Tulum in Quintana Roo.**

RETAIL SPACE AND NUMBER OF STORES

As of March 31, 2022, selling area totaled 1,191,448 Sqm, including 434 stores, with a 0.6% decrease in consolidated selling area, compared to last year, **as a result of our store count efficiencies and the opening of our iShop Tulum store.**

Sales Area	March 2022			March 2021			Sqm Var%
	Units	Retail Sqm	Leaseable Sqm	Units	Retail Sqm	Leaseable Sqm	
Sears	97	856,402		97	856,402		0.0%
Sanborns*	194	283,476		200	290,783		-2.5%
Promotora Musical	142	43,915		139	43,242		1.6%
Other	1	7,655		1	7,657		0.0%
Shopping Centers			71,225			71,225	0.0%
Total	434	1,191,448	71,225	437	1,198,084	71,225	-0.6%

*Includes DAX, Sanborns Home&Fashion, Sanborns Café restaurants and Saks Fifth Avenue. Other includes Sears in Central America.

The following store movements were recorded during the first quarter:

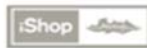
- **iShop**: opened a store in Tulum, Quintana Roo.

WORKING CAPITAL VS. 1T21

Cash and cash equivalents increased Ps. 3,975 million, a 217.2% increase, from Ps. 1,830 million in the first quarter of 2021 to Ps. 5,805 million in the current quarter. Cash-flow came from the result of operating income, good portfolio recovery and financial income.

We increased Ps. 877 million, 10.2%, in **trade accounts receivable** and sundry debtors. Suppliers increased Ps. 2,065 million, 36.8%. Total liabilities increased Ps. 1,990 million, 12.1%, from Ps. 16,399 million in the 1Q21 to Ps. 18,389 million in the 1Q22. Short-term liabilities increased Ps. 2,435 million, 22.2%, mainly due to the increase in suppliers, and long-term liabilities decreased Ps. 445 million, which was -8.2% due to **lower lease liabilities.**

Our **Stockholders' Equity** grew Ps. 2,636 million to Ps. 35,795 million.



**CONTACTS FOR INVESTORS:**

Mario Bermúdez Dávila

Chief Financial Officer of Grupo Sanborns

T. +52 (55) 5257-9323

mbermudez@sears.com.mx

Angélica Piña Garnica

Investor Relations Manager

T. +52 (55) 1101-2956

napinag@gcarso.com.mx**EARNINGS CONFERENCE CALL DETAILS:**

Date: Tuesday, April 26, 2022

Time: **11:00 A.M. Mexico City Time/12:00 P.M NY (US EST)**

Access Number: +52 (55) 8880-8040 (Mexico Dial-in)

+1 (412) 317-6346 (International)

+1 (844) 204-8586 (USA Toll-Free)

Conference ID: Grupo Sanborns

Replay: International and Mexico: +1 (412) 317-0088

USA Toll-Free: +1 (877) 344-7529

Canada Toll-Free: +1 (855) 669-9658

Replay Code: 8060353 (Available until May 6, 2022)

ADDITIONAL CHARTS:

Income Statement					
(Million Pesos)	1Q22		1Q21		Var %
Total Revenues	13,499	100.0%	10,422	100.0%	29.5%
COGS	9,089	67.3%	7,126	68.4%	27.5%
Gross Profit	4,411	32.7%	3,296	31.6%	33.8%
SG&A	3,795	28.1%	3,413	32.7%	11.2%
Other income (expenses) Net	-17	-0.1%	-38	-0.4%	-55.0%
Operating Income	599	4.4%	-155	-1.5%	NC
Comprehensive Financial Result	9	0.1%	-94	-0.9%	NC
Share of Profit of Associates and JV's.	15	0.1%	-37	-0.4%	NC
Income before Taxes	622	4.6%	-286	-2.7%	NC
Taxes	60	0.4%	-142	-1.4%	NC
Consolidated Net Income	562	4.2%	-144	-1.4%	NC
Profit attributable to non-controlling int.	68	0.5%	52	0.5%	31.0%
Profit attributable to owners of parent Co.	494	3.7%	-196	-1.9%	NC
EBITDA	1,086	8.0%	331	3.2%	228.3%

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Balance Sheet figures			
(Million Pesos)	1Q22	4Q21	Var%
Cash & Equivalents	5,804.9	7,304.9	-20.5%
Trade and other current receivables	9,465.4	10,328.8	-8.4%
Recoverable Taxes	632.3	628.4	0.6%
Other Financial Assets	137.6	44.4	0.0%
Inventories	12,821.5	11,343.6	13.0%
Other Non-Financial Assets	0.0	0.0	0.0%
Current Assets	28,861.6	29,650.1	-2.7%
Other Non-Current Trade Receivables	1,120.6	1,162.8	-3.6%
Other Non-Current Financial Assets	1.3	1.3	0.0%
Investments in Subs., JV's and associates	2,633.6	2,601.1	1.2%
Property, Plant and Equipment	12,044.6	12,220.1	-1.4%
Investment Properties	2,495.8	2,495.8	0.0%
Assets for Rights of Use	3,902.1	3,976.8	-1.9%
Intangible Assets other than Goodwill	95.6	99.2	-3.6%
Deferred Tax Assets	2,037.1	1,970.3	3.4%
Other Non-Current Non-Fin. Assets	992.3	997.0	-0.5%
Non-Current Assets	25,323.1	25,524.5	-0.8%
Total Assets	54,184.7	55,174.6	-1.8%
Trade and Other current payables	7,672.3	9,069.0	-15.4%
Short-Term Taxes Payable	1,020.1	1,322.2	-22.8%
Short-Term Lease Liabilities	1,166.8	1,153.8	1.1%
Other Short-Term non-financial liabilities	971.7	964.0	0.8%
Total Current Provisions	2,572.3	2,381.7	8.0%
Current Liabilities	13,403.3	14,890.8	-10.0%
Long-Term Taxes Payable	239.0	238.9	0.0%
Long-Term Lease Liabilities	3,528.1	3,613.9	-2.4%
Other L.T. Non-Financial Liabilities	0.0	0.0	0.0%
Long-Term Provisions for employee benefits	116.3	106.4	9.4%
Other non-current Provisions	18.7	18.4	0.0%
Deferred Tax Liabilities	1,084.1	1,080.5	0.3%
Non-Current Liabilities	4,986.3	5,058.1	-1.4%
Total Liabilities	18,389.5	19,948.9	-7.8%
Total Equity	35,795.1	35,225.7	1.62%
Shares Outstanding (´000)	2,246,627	2,246,732	0.0%
Closing Stock Price	22.50	28.50	-21.1%

NA=Not Applicable

