

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

Earnings Report

2Q 2022

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

Results for the second quarter of 2022.

Highlights of the Quarter:

- Sales grew 22.6% reaching Ps. 14,691 million.
- Gross Profit increased 24.4% with a gross margin increasing from 33.9% to 34.4% of total sales.
- The percentage of non-performing loans over 90 days improved to 2.9% from 5.1% in the 2Q21.
- Loan income increased 24.9% compared to the 2Q21.
- Operating Result was a gain of Ps. 1,037 million in the 2Q22 compared to Ps. 429 million pesos in the 2Q21.
- Quarterly EBITDA went up 64.8% to Ps. 1,513 million in the 2Q22 vs. Ps. 918 million in the 2Q21, with a margin improving from 7.7% to 10.3%.
- Controlling Net Income was Ps. 839 million in the 2Q22 compared to an income of Ps. 199 million in the 2Q21.
- Comprehensive Financial Result was an income of Ps. 10 million, which compared favorably versus an expense of Ps. 64 million in the same quarter of last year.
- Cash and Equivalents increased Ps. 3,121 million, 98.3% vs. the 2Q21.
- Inventories increased Ps. 2,227 million, 20.6% from Ps. 10,835 in the 2Q21 to Ps.13,062 in the 2Q22.
- We increased trade accounts and sundry debtors by Ps. 1,213 million, 13.8%.

FINANCIAL SUMMARY (Million pesos, MM MXN)

Consolidated Results	2022	2021	Var%	2022	2021	Var%
Revenues	14,691	11,979	22.6%	28,191	22,401	25.8%
Gross Profit	5,050	4,059	24.4%	9,461	7,355	28.6%
Operating Income	1,037	429	141.5%	1,636	275	495.7%
Controlling Net Income	839	199	322.3%	1,332	2	NC
EBITDA	1,513	918	64.8%	2,599	1,249	108.1%
Gross Margin	34.4%	33.9%		33.6%	32.8%	
Operating Margin	7.1%	3.6%		5.8%	1.2%	
EBITDA Margin	10.3%	7.7%		9.2%	5.6%	
Net Margin	5.7%	1.7%		4.7%	0.0%	

**CAPITAL EXPENDITURES (CapEx)**

Capital expenditures as of June 30, 2022, totaled Ps. 247 million, amount 97.1% higher than the previous year's figure of Ps. 125 million, mainly **due to the acquisition of furniture and equipment, store remodeling and the opening of the new stores of iShop Tulum, iShop Colima Plaza Sendera and Dax Los Cabos.**

RETAIL SPACE AND NUMBER OF STORES

As of June 30, 2022, selling area totaled 1,192,243 Sqm, including 435 stores, with a slight 0.2% decrease in consolidated selling area compared to last year, **as a result of the increased efficiency in the number of our stores and the opening of the new iShop and Dax stores.**

Sales Area	June 2022			June 2021			Sqm Var%
	Units	Retail Sqm	Leaseable Sqm	Units	Retail Sqm	Leaseable Sqm	
Sears	97	856,402		97	856,402		0.0%
Sanborns*	194	283,982		198	287,585		-1.3%
Promotora Musical	143	44,203		139	43,242		2.2%
Other	1	7,657		1	7,657		0.0%
Shopping Centers		2	71,225		2	71,225	0.0%
Total	435	1,192,243	71,225	435	1,194,886	71,225	-0.2%

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

The following store changes were recorded during the second quarter:

- **iShop:** opened a store in the Sendera Shopping Center in Colima, Colima,
- **Dax:** opened a store in Los Cabos, Baja California Sur,
- **Sanborns:** closed a store in the WTC Shopping Center in Mexico City

WORKING CAPITAL VS. 2021

Cash and cash equivalents increased by Ps. 3,121 million, a 98.3% increase, from Ps. 3,177 million in the second quarter of 2021 to Ps. 6,298 million in the current quarter. Cash-flow came from the result of operating profit, sound portfolio recovery and financial income.

We increased Ps. 1,213 million, 13.8%, the **trade accounts receivable** and sundry debtors. Suppliers increased Ps. 1,946 million, 34.4%. Total liabilities increased Ps. 1,863 million, 11.3%, from Ps. 16,455 million in the 2021 to Ps. 18,318 million in the 2022.





Short-term liabilities increased by Ps. 2,231 million, 19.9%, mainly due to the increase in suppliers, while long-term liabilities decreased by Ps. 368 million, which was -7.0% due to lower lease liabilities and other long-term provisions.

Our **stockholders' equity** grew Ps. 3,354 million to reach Ps. 36,684 million.

CONTACTS FOR INVESTORS:

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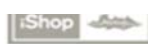
EARNINGS CONFERENCE CALL DETAILS:

Date: Tuesday, July 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)
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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: 3494764 (Available until August 2, 2022)

ADDITIONAL CHARTS:

Income Statement (Million Pesos)	2022			2021			2022			2021		
			Var %			Var %			Var %			Var %
Total Revenues	14,691	100.0%	22.6%	11,979	100.0%	28,191	100.0%	22,401	100.0%	25.8%		
COGS	9,641	65.6%	21.7%	7,920	66.1%	18,730	66.4%	15,046	67.2%	24.5%		
Gross Profit	5,050	34.4%	24.4%	4,059	33.9%	9,461	33.6%	7,355	32.8%	28.6%		
SG&A	4,017	27.3%	10.0%	3,651	30.5%	7,812	27.7%	7,064	31.5%	10.6%		
Other income (expenses) Net	4	0.0%	NC	21	0.2%	-13	0.0%	-17	-0.1%	-24.0%		
Operating Income	1,037	7.1%	141.5%	429	3.6%	1,636	5.8%	275	1.2%	495.7%		
Comprehensive Financial Result	10	0.1%	NC	-64	-0.5%	19	0.1%	-158	-0.7%	NC		
Share of Profit of Associates and JV's.	67	0.5%	NC	-76	-0.6%	82	0.3%	-113	-0.5%	NC		
Income before Taxes	1,114	7.6%	284.9%	289	2.4%	1,736	6.2%	3	0.0%	NC		
Taxes	214	1.5%	329.3%	50	0.4%	274	1.0%	-92	-0.4%	NC		
Consolidated Net Income	901	6.1%	275.7%	240	2.0%	1,462	5.2%	96	0.4%	NC		
Profit attributable to non-controlling int.	62	0.4%	50.5%	41	0.3%	130	0.5%	93	0.4%	39.6%		
Profit attributable to owners of parent Co.	839	5.7%	322.3%	199	1.7%	1,332	4.7%	2	0.0%	NC		
EBITDA	1,513	10.3%	64.8%	918	7.7%	2,599	9.2%	1,249	5.6%	108.1%		

NC: Not Comparable





Balance Sheet figures			
(Million Pesos)	2022	4Q21	Var%
Cash & Equivalents	6,297.8	7,304.9	-13.8%
Trade and other current receivables	9,985.8	10,328.8	-3.3%
Recoverable Taxes	469.7	628.4	-25.3%
Other Financial Assets	134.4	44.4	0.0%
Inventories	13,062.4	11,343.6	15.2%
Other Non-Financial Assets	0.0	0.0	0.0%
Current Assets	29,950.1	29,650.1	1.0%
Other Non-Current Trade Receivables	1,141.3	1,162.8	-1.8%
Other Non-Current Financial Assets	1.3	1.3	0.0%
Investments in Subs., JV's and associates	2,657.7	2,601.1	2.2%
Property, Plant and Equipment	11,941.4	12,220.1	-2.3%
Investment Properties	2,495.8	2,495.8	0.0%
Assets for Rights of Use	3,712.3	3,976.8	-6.7%
Intangible Assets other than Goodwill	90.9	99.2	-8.4%
Deferred Tax Assets	2,022.6	1,970.3	2.7%
Other Non-Current Non-Fin. Assets	988.5	997.0	-0.9%
Non-Current Assets	25,051.8	25,524.5	-1.9%
Total Assets	55,001.9	55,174.6	-0.3%
Trade and Other current payables	7,599.2	9,069.0	-16.2%
Short-Term Taxes Payable	1,028.2	1,322.2	-22.2%
Short-Term Lease Liabilities	1,144.7	1,153.8	-0.8%
Other Short-Term non-financial liabilities	978.1	964.0	1.5%
Total Current Provisions	2,714.5	2,381.7	14.0%
Current Liabilities	13,464.7	14,890.8	-9.6%
Long-Term Taxes Payable	267.8	238.9	12.1%
Long-Term Lease Liabilities	3,359.0	3,613.9	-7.1%
Other L.T. Non-Financial Liabilities	0.0	0.0	0.0%
Long-Term Provisions for employee benefits	126.3	106.4	18.7%
Other non-current Provisions	18.8	18.4	0.0%
Deferred Tax Liabilities	1,081.2	1,080.5	0.1%
Non-Current Liabilities	4,853.2	5,058.1	-4.1%
Total Liabilities	18,317.9	19,948.9	-8.2%
Total Equity	36,684.0	35,225.7	4.14%
Shares Outstanding ('000)	2,246,472	2,246,732	0.0%
Closing Stock Price	21.21	28.50	-25.6%

NA=Not Applicable

