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**Grupo Sanborns S.A.B. de C.V.**  
**Earnings Report**  
**4Q 2021**

Mexico City, January 31, 2022 – Grupo Sanborns, S.A.B. de C.V. (BMV: GSANBOR)  
Results for the fourth quarter and full year 2021.

**In the fourth quarter of the year, Grupo Sanborns' total revenues increased 26.1%** to Ps. 18,668 million, due to the increase in the number of customers in our stores, the "Buen Fin" and Christmas season promotions. Shopping malls in Mexico have been recovering their affluence and consumers returned to department stores and restaurants. The categories that showed growth in the different formats were: electronics, white goods and furniture, and there was a significant recovery in clothing, footwear, perfumery and restaurants. In iShop, we launched new models starting in October 2021. We continue to strengthen our omnichannel sales in the different formats supported by our points of sale.

**On a cumulative basis, sales in 2021 grew 35.0%** to Ps. 52,939 million compared to the previous year.

**Gross profit increased Ps. 1,412 million**, representing a 30.4% increase from Ps. 4,639 million to Ps. 6,051 million. Gross margin was above 2020 levels, improving 100 basis points from 31.4% to 32.4% of sales, showing a sequential improvement attributable to a higher share of fashion and restaurant consumption in the product mix.

**Accumulated gross profit** increased 28.6%, totaling Ps. 17,499 million, with a margin of 33.1%, which was lower than last year, due to the higher sales participation of "Big-ticket" and the decrease in credit interest due to a lower customer portfolio as a result of lower sales in the first half of the pandemic year.

**Operating expenses:** in the fourth quarter and year 2021 we achieved a reduction of 290 and 580 basis points with respect to sales, as the percentage growth in operating expenses was lower than the growth in sales, both in the quarter and in the year.



**EBITDA improved by Ps. 1,320 million, up 105.0%** from Ps. 1,258 million in the fourth quarter of 2020 to Ps. 2,578 million in the fourth quarter of 2021, as a result of good operating results in all our formats.

**Cash and cash equivalents increased Ps. 3,314 million**, an 83.1% increase, from Ps. 3,991 million in the fourth quarter of 2020 to Ps. 7,305 million in the current quarter. Cash-flow came from the result of operating income, good portfolio recovery and financial income.

**We increased \$656 million pesos, 6.8%, in the portfolio of customers and sundry debtors. The percentage of past-due loans over 90 days improved 230 basis points**, from 5.2% in the fourth quarter of 2020 to 2.9% in the fourth quarter of 2021.

**FINANCIAL SUMMARY (Million Pesos, MM MXN)**

Consolidated Results	4Q21	4Q20	Var%	2021	2020	Var%
Revenues	18,668	14,798	26.1%	52,939	39,205	35.0%
Gross Profit	6,051	4,639	30.4%	17,499	13,609	28.6%
Operating Income	2,022	1,113	81.6%	2,683	1,681	59.6%
Op. Income ex-Extraord. Item	2,022	792	155.4%	2,683	192	1297.0%
<b>Controlling Net Income</b>	<b>1,498</b>	<b>469</b>	<b>219.5%</b>	<b>1,819</b>	<b>727</b>	<b>150.0%</b>
Controlling Net Income ex-Extraord. Item	1,498	444	237.6%	1,819	-448	NC
<b>EBITDA</b>	<b>2,578</b>	<b>1,258</b>	<b>105.0%</b>	<b>4,724</b>	<b>2,041</b>	<b>131.5%</b>
Gross Margin	32.4%	31.4%		33.1%	34.7%	
Operating Margin	10.8%	7.5%		5.1%	4.3%	
Operating Margin ex-Extraord. Item	10.8%	5.3%		5.1%	0.5%	
EBITDA Margin	13.8%	8.5%		8.9%	5.2%	
Net Margin	8.0%	3.2%		3.4%	1.9%	
Net Margin exExtraord. Item	8.0%	3.0%		3.4%	-1.1%	

NC: Not Comparable

**OPERATING INCOME AND EBITDA**

**Operating income for the 4Q21 totaled Ps. 2,022 million**, compared to Ps. 1,113 million in the 4Q20. On a cumulative basis, operating income for 2021 totaled Ps. 2,683 million, compared to operating income of Ps. 1,681 million in 2020.

**Quarterly EBITDA improved 105.0%** from Ps. 1,258 million in the 4Q20 to Ps. 2,578 million in the 4Q21, with a margin that improved from 8.5% to 13.8%.

Cumulatively, the EBITDA margin was 8.9% versus an EBITDA margin of 5.2% in 2020.





**COMPREHENSIVE FINANCIAL RESULT (CFR)**

<b>(MM MXN)</b>						
<b>Financial Results</b>	<b>4Q21</b>	<b>4Q20</b>	<b>Var%</b>	<b>2021</b>	<b>2020</b>	<b>Var%</b>
Interest Expenses	-129	-72	80.4%	-533	-712	-25.0%
Interest Income	131	0	NC	337	270	24.7%
<b>Interest (net)</b>	<b>2</b>	<b>-72</b>	<b>-102.3%</b>	<b>-197</b>	<b>-442</b>	<b>-55.4%</b>
ForEx Results	-9	44	NC	-15	-31	-50.3%
<b>CFR</b>	<b>-8</b>	<b>-28</b>	<b>-72.1%</b>	<b>-212</b>	<b>-472</b>	<b>-55.1%</b>

NC=Not comparable

The **Comprehensive Financing Result (CFR)** represented an expense of Ps. 8 million, decreasing 72.1% compared to an expense of Ps. 28 million in the same quarter of last year. This reduction was mainly due to Ps. 131 million more in interest income.

On a cumulative basis, the comprehensive financing result represented an expense of Ps. 212 million, decreasing 55.1% compared to an expense of Ps. 472 million in 2020.

**NET INCOME**

**Net income for the 4Q21 totaled Ps. 1,498 million**, compared to Ps. 469 million in the 4Q20.

On a cumulative basis, net income in 2021 amounted to Ps. 1,819 million, compared to a net income of Ps. 727 million in 2020.

**CREDIT BUSINESS**

The number of company-owned cards reached 4.70 million, increasing by 221 thousand new cardholders compared to 4.48 million at the end of December 2020. The percentage of past-due loans over 90 days was 2.9% in 4Q21, an improvement compared to 5.2% in 4Q20.

The net loan portfolio totaled Ps. 11,032 million as of December 31, 2021, increasing 7.9%, while loan income increased 3.4%.





Credit Indicators	4Q21	4Q20	Var%
Credit Portfolio, Net (MM Ps)	11,032	10,227	7.9%
Num. Credit cards (MM)	4.70	4.48	4.9%
Non-performing loans (%)	2.9%	5.2%	

### INTEREST-BEARING LIABILITIES

Grupo Sanborns did not have any debt with cost at the end of the fourth quarter of 2021.

### CAPITAL EXPENDITURES (CapEx)

Capital expenditures as of December 31, 2021 totaled Ps. 467 million, which was 26.6% higher than the previous year's figure of Ps. 369 million.

### RETAIL SPACE AND NUMBER OF STORES

As of December 31, 2021, selling area totaled 1,191,306 sqm, including 433 stores, with a 0.8% decrease in consolidated commercial area compared to last year.

Sales Area	September 2021			September 2020			Sqm Var%
	Units	Retail Sqm	Leasable Sqm	Units	Retail Sqm	Leasable Sqm	
Sears	97	856,402		97	856,402		0.0%
Sanborns*	194	283,475		202	293,498		-3.4%
Promotora Musical	141	43,772		139	43,242		1.2%
Other	1	7,657		1	7,657		0.0%
Shopping Centers			71,225			71,225	0.0%
<b>Total</b>	<b>433</b>	<b>1,191,306</b>	<b>71,225</b>	<b>439</b>	<b>1,200,799</b>	<b>71,225</b>	<b>-0.8%</b>

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

During the fourth quarter, the following store movements were recorded:

- **Sanborns:** closed the Lomas Plaza store and the Sanborns Café in Zona Rosa, both in Mexico City.
- **iShop:** opened the Oceania and Patio Tlalpan stores in Mexico City and La Perla in Guadalajara, Jalisco.





**WORKING CAPITAL**

Cash and cash equivalents increased Ps. 3,314 million, 83.1%. Inventories increased by Ps. 778 million, 7.4% year over year, from Ps. 10,565 million in the 4Q20 to Ps. 11,344 million in the 4Q21, and accumulated merchandise sales for the year grew 40.8%. We increased Ps. 656 million, 6.8%, in trade accounts receivable and sundry debtors. Suppliers increased Ps. 707 million, 8.5%. **Total liabilities increased Ps. 702 million, 3.6%, from Ps. 19,247 million in the 4Q20 to Ps. 19,949 million in the 4Q21. Short-term liabilities increased Ps. 1,200 million, 8.8%, mainly due to the increase in suppliers, and long-term liabilities decreased Ps. 499 million, which was -9.0% due to lower lease liabilities.**

**CONTACTS FOR INVESTORS:**

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**EARNINGS CONFERENCE CALL DETAILS:**

Date: Tuesday, February 1st, 2022  
Time: **11:00 A.M. Mexico City Time/12:00 P.M NY (US EST)**  
Access Numbers: 52 (55) 6722-5257 Mexico - Local  
001 866-779-0965 Mexico Freephone  
1 (847) 585-4405 International and US Toll  
1 (888) 771-4371 US Toll Free  
  
Access Code: **5027 9804# for Spanish**  
**5027 9805# for English**  
Audio Replay: 52 (55) 6722-5257 Mexico - Local  
001 866-779-0965 Mexico Freephone  
1 (847) 585-4405 International and US Toll  
**REF: 5027 9804# for Spanish**  
**REF: 5027 9805# for English**  
Availability: Until February 8th, 2022



**ADDITIONAL CHARTS:**

Income Statement (Million Pesos)	4Q21			4Q20			2021			2020		
						Var %						Var%
<b>Total Revenues</b>	<b>18,668</b>	<b>100.0%</b>	<b>14,798</b>	<b>100.0%</b>		<b>26.1%</b>	<b>52,939</b>	<b>100.0%</b>	<b>39,205</b>	<b>100.0%</b>		<b>35.0%</b>
COGS	12,616	67.6%	10,159	68.6%		24.2%	35,440	66.9%	25,596	65.3%		38.5%
<b>Gross Profit</b>	<b>6,051</b>	<b>32.4%</b>	<b>4,639</b>	<b>31.4%</b>		<b>30.4%</b>	<b>17,499</b>	<b>33.1%</b>	<b>13,609</b>	<b>34.7%</b>		<b>28.6%</b>
SG&A	4,146	22.2%	3,721	25.1%		11.4%	14,878	28.1%	13,281	33.9%		12.0%
Other income (expenses) Net	116	0.6%	195	1.3%		NC	62	0.1%	1,354	3.5%		-95.4%
<b>Operating Income</b>	<b>2,022</b>	<b>10.8%</b>	<b>1,113</b>	<b>7.5%</b>		<b>81.6%</b>	<b>2,683</b>	<b>5.1%</b>	<b>1,681</b>	<b>4.3%</b>		<b>59.6%</b>
Comprehensive Financial Result	-8	0.0%	-28	-0.2%		-72.1%	-212	-0.4%	-472	-1.2%		-55.1%
Share of Profit of Associates and JV's.	87	0.5%	20	0.1%		325.3%	-5	0.0%	-134	-0.3%		-96.6%
<b>Income before Taxes</b>	<b>2,100</b>	<b>11.3%</b>	<b>1,106</b>	<b>7.5%</b>		<b>89.9%</b>	<b>2,466</b>	<b>4.7%</b>	<b>1,074</b>	<b>2.7%</b>		<b>129.5%</b>
Taxes	485	2.6%	571	3.9%		-15.0%	399	0.8%	261	0.7%		53.0%
<b>Consolidated Net Income</b>	<b>1,616</b>	<b>8.7%</b>	<b>535</b>	<b>3.6%</b>		<b>201.8%</b>	<b>2,068</b>	<b>3.9%</b>	<b>814</b>	<b>2.1%</b>		<b>154.1%</b>
Profit attributable to non-controlling int.	118	0.6%	67	0.5%		77.1%	249	0.5%	86	0.2%		188.4%
<b>Profit attributable to owners of parent Co.</b>	<b>1,498</b>	<b>8.0%</b>	<b>469</b>	<b>3.2%</b>		<b>219.5%</b>	<b>1,819</b>	<b>3.4%</b>	<b>727</b>	<b>1.9%</b>		<b>150.0%</b>
<b>EBITDA</b>	<b>2,578</b>	<b>13.8%</b>	<b>1,258</b>	<b>8.5%</b>		<b>105.0%</b>	<b>4,724</b>	<b>8.9%</b>	<b>2,041</b>	<b>5.2%</b>		<b>131.5%</b>

NC: Not Comparable



<b>Balance Sheet figures</b>			
<b>(Million Pesos)</b>	<b>4Q21</b>	<b>4Q20</b>	<b>Var%</b>
Cash & Equivalents	7,304.9	3,990.6	83.1%
Trade and other current receivables	10,328.8	9,672.9	6.8%
Recoverable Taxes	628.4	1,336.8	-53.0%
Other Financial Assets	44.4	98.6	0.0%
Inventories	11,343.6	10,565.3	7.4%
Other Non-Financial Assets	0.0	0.0	0.0%
<b>Current Assets</b>	<b>29,650.1</b>	<b>25,664.1</b>	<b>15.5%</b>
Other Non-Current Trade Receivables	1,162.8	1,297.2	-10.4%
Other Non-Current Financial Assets	1.3	1.3	0.0%
Investments in Subs., JV's and associates	2,601.1	2,636.2	-1.3%
Property, Plant and Equipment	12,220.1	13,114.9	-6.8%
Investment Properties	2,495.8	2,462.5	1.4%
Assets for Rights of Use	3,976.8	4,399.7	-9.6%
Intangible Assets other than Goodwill	99.2	175.8	-43.6%
Deferred Tax Assets	1,970.3	1,841.9	7.0%
Other Non-Current Non-Fin. Assets	997.0	961.8	3.7%
<b>Non-Current Assets</b>	<b>25,524.5</b>	<b>26,891.3</b>	<b>-5.1%</b>
<b>Total Assets</b>	<b>55,174.6</b>	<b>52,555.4</b>	<b>5.0%</b>
Trade and Other current payables	9,069.0	8,361.5	8.5%
Short-Term Taxes Payable	1,322.2	1,237.6	6.8%
Short-Term Lease Liabilities	1,153.8	1,118.2	3.2%
Other Short-Term non-financial liabilities	964.0	704.5	36.8%
Total Current Provisions	2,381.7	2,268.5	5.0%
<b>Current Liabilities</b>	<b>14,890.8</b>	<b>13,690.4</b>	<b>8.8%</b>
Long-Term Taxes Payable	238.9	296.7	-19.5%
Long-Term Lease Liabilities	3,613.9	4,112.0	-12.1%
Other L.T. Non-Financial Liabilities	0.0	0.0	0.0%
Long-Term Provisions for employee benefits	106.4	57.3	85.6%
Other non-current Provisions	18.4	18.0	0.0%
Deferred Tax Liabilities	1,080.5	1,072.6	0.7%
<b>Non-Current Liabilities</b>	<b>5,058.1</b>	<b>5,556.6</b>	<b>-9.0%</b>
<b>Total Liabilities</b>	<b>19,948.9</b>	<b>19,247.1</b>	<b>3.6%</b>
<b>Total Equity</b>	<b>35,225.7</b>	<b>33,308.3</b>	<b>5.76%</b>
Shares Outstanding ( '000)	2,246,732	2,257,687	-0.5%
Closing Stock Price	28.50	19.26	48.0%

NA=Not Applicable

