GRUPO COMERCIAL CHEDRAUI, S.A.B. DE C.V.

RELEVANT RESULTS AND FACTS FOR THE FIRST QUARTER OF 2020

- **Same store sales growth of 10.1% in Mexico**
- **Same store sales growth of 10.4% in the U.S. in dollar terms**
- **Consolidated EBITDA growth of 12.8%**
- **Invested Capex of $588 million pesos in 2020**

April 21st, 2020, Mexico City. Grupo Comercial Chedraui, S.A.B. de C.V. announces its results corresponding to the first quarter of 2020. All figures in this report are presented in nominal terms and reported in accordance with International Financial Reporting Standards (IFRS).

CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2020

The following chart shows the comparative summary income statement for the three months from January to March 2020.

(Figures in millions of nominal Pesos)

Quarterly Results	Q1-2019	% of Sales	Q1-2020	% of Sales	% Growth
Net Sales	31,125	100.0%	35,504	100.0%	14.1%
Gross Profit	6,723	21.6%	7,579	21.3%	12.7%
Operating Income	1,407	4.5%	1,682	4.7%	19.5%
EBITDA	2,292	7.4%	2,584	7.3%	12.8%
Net Income	437	1.4%	542	1.5%	24.0%

EBITDA is defined as Operating Profit before Depreciation and Amortization

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Sales

Total sales grew 14.1% to $35,504 million pesos which is higher than the $31,125 million pesos obtained in the prior comparative quarter. This growth is due to the incorporation of eleven net stores in the last twelve months in Mexico, same store sales growth of 10.1% in Mexico and same store sales growth of 10.4% in the United States in dollar terms. These eleven net new stores in Mexico added 1.8% to total sales floor.

Gross Profit

Gross profit, at 21.3% of sales, increased 12.7% to $7,579 million pesos. This 21.3% gross margin was 30bps lower than the 21.6% obtained in the same period of the previous year due to changes in product sales mix in both Mexico and the United States. This effect in the United States was slightly more pronounced at Fiesta.

Operating Expenses

During the first quarter in 2020, operating expenses (without depreciation and amortization) grew 12.7% to the prior comparative quarter and represented 14.1% of sales. This increase is mainly due to:

- Higher operating expenses associated with the 11 new stores that opened in Mexico over the last 12 months which have yet to reach sales maturity
- Higher participation of U.S. Retail, which operates with a higher expense to sales structure than Mexico, in the Consolidated results
- Higher expenses in all segments due to the COVID-19 contingency

Depreciation and Amortization

Depreciation and amortization grew 2.0% in relation to the same quarter last year. This increase reflects higher investments in assets, technology and maintenance carried out over the last twelve months.

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EBITDA

Consolidated EBITDA in Q1, at 7.3% of sales, grew 12.8% from $2,292 million in 2019 to $2,584 million in 2020.

Financing Cost

Financing Costs increased 16.6% in Q1 from $741 million pesos in 2019 to $864 million pesos in 2020. The increase was significantly impacted by new IFRS 16 reporting guidelines.

Net Income

Consolidated Net Income in the quarter grew 24.0% to $542 million pesos and represented 1.5% of sales.

Financing

By the end of March 2020, the company had net bank debt of $11,135 million pesos which was comprised of $4,350 million pesos of short term debt, $9,943 million pesos of long term debt, and $3,158 million pesos in cash and temporary investments.

Accumulated invested CAPEX from January to March 2020 rose to $588 million pesos.

With these figures, the net bank debt ratio to EBITDA in the last twelve months is 1.18 times.

Note that while debt is shown consolidated, debt contracted in Mexico is in pesos and debt contracted in the United States is in dollars. The fact that revenues and expenses occur in the same currency eliminates foreign exchange rate conversion risk; therefore no currency hedging instruments are utilized.

It is important to note that, in keeping with our conservative practices, 78% or $3,639 million pesos of the long-term debt in Mexico is covered by a fixed rate of 8.06%.

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The following charts show the Group's financial and operational information for each business segment:

Financial Information

Net Sales By Segment	Q1-2019	% of Total	Q1-2020	% of Total	Growth %
Mexico Retail	18,369	59.0%	20,455	57.6%	11.4%
USA Retail	12,510	40.2%	14,779	41.6%	18.1%
Real Estate	246	0.8%	270	0.8%	9.5%
Consolidated sales	31,125	100.0%	35,504	100.0%	14.1%

EBITDA By Segment	Q1-2019	% of Total	Q1-2020	% of Total	Growth %
Mexico Retail	1,310	57.2%	1,473	57.0%	12.5%
USA Retail	807	35.2%	924	35.8%	14.6%
Real Estate	175	7.6%	186	7.2%	6.7%
Consolidated EBITDA	2,292	100.0%	2,584	100.0%	12.8%

Infrastructure Data by segment

Installed Capacity By Segment	Openings		Stores as of Q1-20	Openings LTM
	Q1-2019	Q1-2020		
Stores in Mexico	1	2	306	11
Stores in USA	0	0	125	0
Total	1	2	431	11

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Installed Capacity By Segment	Sqm Sales Area			Cumulative Growth 2020
	Openings Q1-19	Openings Q1-20	Sqm as of Q1-20	
Stores in Mexico	1,548	438	1,460,363	1.8%
Stores in USA	-	-	358,591	0.0%
Total	1,548	438	1,818,954	1.4%

Retail in Mexico

Sales corresponding to the first quarter of 2020 grew 11.4% reaching $20,455 million pesos compared to the $18,369 million pesos during the same quarter last year. This growth is a result of a 10.1% increase in same store sales as well as the incorporation of 11 net opened stores which increased total sales floor by 1.8%.

The same store sales growth in the quarter was primarily due to the month of March in which we experienced our customers buying increased amounts of basic products in response to measures taken against COVID-19 in the country.

During this period, gross margin was slightly reduced due to the change in sales mix towards basic products that have a lower gross margin. Additionally, operating expenses increased significantly due to the actions taken to maintain normal operations during this pandemic; however, operating expenses did not increase as much as sales. As a result, EBITDA increased 12.5% to $1,473 million pesos and represented 7.2% over sales.

Retail in U.S.A.

During the first quarter of 2020, retail sales in the United States grew 18.1% from $12,510 million pesos in 2019 to $14,779 million pesos in 2020. This was due to an increase of 12.4% in same store sales at El Super and 7.6% at Fiesta, both in dollar terms.

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In the first quarter of 2020 El Super achieved solid sales results, stable gross margins and lower rates of operating expenses. This performance resulted in EBITDA of $671 million pesos which was 31.8% higher than the prior comparative quarter and represented 7.9% of sales.

For Fiesta, sales were strong in the quarter, margins were consistent with Q4 but below the prior comparative quarter, and operating expenses were kept in check. These factors allowed us to obtain an EBITDA of $254 million pesos which represented 4.1% of sales.

Total EBITDA in Retail in the United States was $924 million pesos with a margin over sales of 6.3%. Please reference the chart below for more details:

EBITDA	Q1-2019	% of Sales	Q1-2020	% of Sales	Growth %	Bps
El Super	509	7.2%	671	7.9%	31.8%	67 bps
Fiesta	298	5.5%	254	4.1%	-14.8%	-142 bps
Retail U.S.A.	807	6.4%	924	6.3%	14.6%	-19 bps

The exchange rate utilized in this quarter to convert the income statement was $20.54 which is 7.2% higher than the $19.16 utilized in the same period last year. The exchange rate used to convert the balance sheet was $23.51.

Real Estate

Income in this segment during the first quarter grew 9.5% from $246 million pesos in 2019 to $270 million pesos in 2020. This was due to contracted rent increases that are tied to inflation and incorporation of 15,172 m2 of leasable area which represents an increase of 4.2% in the last 12 months.

EBITDA in this segment grew 6.7% from $175 million pesos in 2019 to $186 million pesos in 2020 with a margin over sales of 69.1%

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Company Description

Grupo Comercial Chedraui, S.A.B. de C.V. trades in the Mexican Stock Exchange under the ticker "CHDRAUI" and as of March 31st 2020, the company had the following units in operation:

México	197	Tiendas Chedraui	(19 Selecto)
	60	Tiendas Súper Chedraui	(4 Selecto)
	14	Tiendas Súper Che	
	35	Tiendas Supercito	
United States	64	Tiendas El Super	
	61	Tiendas Fiesta	
Total	431		

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Appendix

Results of the first quarter 2020

Grupo Comercial Chedraui, S.A.B. de C.V.

Consolidated Quarter Income Statements

(Figures in millions of mexican pesos)

	Q1-2019	% Sales	Q1-2020	% Sales	Growth %
Sales	**31,125**	***100.0%***	**35,504**	***100.0%***	**14.1%**
Cost of Sales	24,402	*78.4%*	27,925	*78.7%*	14.4%
Gross Profit	**6,723**	***21.6%***	**7,579**	***21.3%***	**12.7%**
Operating expenses	4,432	*14.2%*	4,994	*14.1%*	12.7%
Depreciation and Amortization	884	*2.8%*	902	*2.5%*	2.0%
Operating Income	**1,407**	***4.5%***	**1,682**	***4.7%***	**19.5%**
Ebitda	**2,292**	***7.4%***	**2,584**	***7.3%***	**12.8%**
Financial cost	741	*2.4%*	864	*2.4%*	16.6%
Income Before Taxes	**667**	***2.1%***	**818**	***2.3%***	**22.8%**
Income Taxes	230	*0.7%*	276	*0.8%*	20.3%
Consolidated Net Income	**437**	***1.4%***	**542**	***1.5%***	**24.0%**

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GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. Y SUBSIDIARIAS

CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2020, 2019

(Figures in thousands of mexican pesos)

	March 2019	%	March 2020	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	1,567,664		3,157,942		1,590,278	101.4
Trade and other current receivables	1,148,026		1,508,727		360,700	31.4
Current tax assets, current	2,341,003		2,203,561	-	137,443	- 5.9
Other current financial assets	699,180		612,829	-	86,351	- 12.4
Current inventories	12,099,379		12,651,994		552,615	4.6
Total current assets	**17,855,252**	**20.4%**	**20,135,053**	**21.4%**	**2,279,801**	**12.8**
Non-current assets						
Trade and other non-current receivables	346,604		525,037		178,434	51.5
Investments in subsidiaries, joint ventures and associates	8,070		4,335	-	3,735	- 46.3
Property, plant and equipment	34,137,564		33,974,377	-	163,187	- 0.5
Investment property	8,679,203		9,511,675		832,472	9.6
Right-of-use assets that do not meet definition of investme	19,638,256		22,253,061		2,614,804	13.3
Goodwill	2,260,804		2,672,549		411,745	18.2
Intangible assets other than goodwill	2,531,901		2,753,772		221,872	8.8
Deferred tax assets	1,617,915		1,197,648	-	420,267	- 26.0
Other non-current non-financial assets	592,803		1,038,791		445,989	75.2
Total non-current assets	**69,813,120**	**79.6%**	**73,931,246**	**78.6%**	**4,118,127**	**5.9**
Total assets	**87,668,372**	**100.0%**	**94,066,299**	**100.0%**	**6,397,927**	**7.3**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	18,602,971		19,864,278		1,261,308	6.8
Current tax liabilities, current	253,768		210,599	-	43,169	- 17.0
Other current financial liabilities	3,140,915		4,656,017		1,515,102	48.2
Current lease liabilities	565,983		643,797		77,814	13.7
Current provisions						
Current provisions for employee benefits	471,454		600,178		128,724	27.3
Other current provisions	355,903		310,115	-	45,788	- 12.9
Total current provisions	827,357		910,293		82,936	10.0
Total current liabilities	**23,390,994**	**26.7%**	**26,284,984**	**27.9%**	**2,893,991**	**12.4**
Non-current liabilities						
Trade and other non-current payables	349,968		324,886	-	25,083	- 7.2
Other non-current financial liabilities	9,815,403		10,446,484		631,081	6.4
Non-current lease liabilities	22,121,435		25,532,095		3,410,660	15.4
Non-current provisions						
Non-current provisions for employee benefits	609,524		870,096		260,572	42.8
Deferred tax liabilities	3,811,188		2,903,061	-	908,126	- 23.8
Total non-current liabilities	**36,707,519**	**41.9%**	**40,076,623**	**42.6%**	**3,369,104**	**9.2**
Total liabilities	**60,098,512**	**68.6%**	**66,361,607**	**70.5%**	**6,263,094**	**10.4**
Equity						
Issued capital	252,119		252,119		0	0.0
Share premium	3,565,281		3,492,146	-	73,136	- 2.1
Treasury shares	168,619		253,022		84,403	50.1
Retained earnings	23,228,243		24,176,447		948,204	4.1
Other reserves	595,428		40,081	-	555,347	- 93.3
Total equity attributable to owners of parent	**27,472,453**	**31.3%**	**27,707,771**	**29.5%**	**235,318**	**0.9**
Non-controlling interests	**97,407**	**0.1%**	**- 3,079**	**0.0%**	**- 100,486**	**- 103.2**
Total equity	**27,569,859**	**31.4%**	**27,704,692**	**29.5%**	**134,832**	**0.5**
Total equity and liabilities	**87,668,372**	**100.0%**	**94,066,299**	**100.0%**	**6,397,927**	**7.3**

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GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. Y SUBSIDIARIAS

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED MARCH 31, 2020 AND 2019

FIGURES IN THOUSANDS OF PESOS	March 2019	March 2020
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	436,996	542,003
Adjustments to reconcile profit (loss) [abstract]		
+ Adjustments for income tax expense	229,657	276,347
+ (-) Adjustments for finance costs	540,389	469,551
+ Adjustments for depreciation and amortisation expense	883,502	981,676
+ (-) Adjustments for losses (gains) on disposal of non-current assets	13,819	4,279
+ (-) Adjustments for decrease (increase) in inventories	724,485	1,389,653
+ (-) Adjustments for decrease (increase) in trade accounts receivable	430,500	95,279
+ (-) Adjustments for decrease (increase) in other operating receivables	- 331,447	- 165,500
Adjustments for increase (decrease) in trade accounts payable	- 3,190,308	- 1,686,965
+ (-) Adjustments for increase (decrease) in other operating payables	- 136,548	- 635,128
+ Other adjustments for non-cash items	15,427	136,928
Total adjustments to reconcile profit (loss)	**- 820,524**	**866,120**
Net cash flows from (used in) operations	**- 383,528**	**1,408,123**
Net cash flows from (used in) operating activities	- 383,528	1,408,123
Cash flows from (used in) investing activities [abstract]		
+ Proceeds from sales of property, plant and equipment	26,627	1,460
- Purchase of property, plant and equipment	- 1,051,460	- 552,202
- Purchase of intangible assets	- 59,780	- 36,047
+ Dividends received	-	2,078
+ Interest received	20,595	13,379
Net cash flows from (used in) investing activities	- 1,064,018	- 571,332
Cash flows from (used in) financing activities [abstract]		
- Payments to acquire or redeem entity's shares	- 55,062	-
- Payments of other equity instruments	- 1,442	- 18,209
+ Proceeds from borrowings	2,725,761	3,765,000
- Repayments of borrowings	- 147,870	- 1,412,540
- Payments of lease liabilities	- 139,743	- 159,821
- Interest paid	- 560,984	- 482,931
+ (-) Other inflows (outflows) of cash	- 39,009	- 54,106
Net cash flows from (used in) financing activities	1,781,651	1,637,393
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	334,105	2,474,184
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	- 18,012	- 300,286
Net increase (decrease) in cash and cash equivalents	316,093	2,173,898
Cash and cash equivalents at beginning of period	1,251,571	984,044
Cash and cash equivalents at end of period	**1,567,664**	**3,157,942**

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