GRUPO COMERCIAL CHEDRAUI, S.A.B. DE C.V.
RELEVANT RESULTS AND FACTS FOR THE SECOND QUARTER OF 2020

- **Consolidated sales growth of 15.3%**
- **Same store sales growth in Mexico of 3.1% and 9.6% in the US in dollars terms**
- **Consolidated Ebitda growth of 19.0%**
- **Consolidated net income growth of 60.8%**
- **Net bank debt reduction of $1,778 million pesos**
- **Invested Capex in 2020 of $1,227 million pesos**

Mexico City, July 23rd 2020, Grupo Comercial Chedraui, S.A.B. de C.V. presents its 2020 second quarter results. All figures in this report are shown in nominal terms and reported in accordance with Internatioanl Reporting Standads (IFRS).

CONSOLIDATED RESULTS FOR THE SECOND QUARTER 2020

The following chart shows the summarized results of the three months from April to June 2020, as well as the percentage of sales each segment represents and its percentual change compared to the same quarter in 2019:

(Figures in millions of nominal Pesos)

Quarterly Results	Q2-2019	% of Sales	Q2-2020	% of Sales	% Growth
Net Sales	31,586	100.0%	36,409	100.0%	15.3%
Gross Profit	7,047	22.3%	8,212	22.6%	16.5%
Operating Income	1,389	4.4%	1,762	4.8%	26.9%
EBITDA	2,299	7.3%	2,737	7.5%	19.0%
Net Income	423	1.3%	681	1.9%	60.8%

EBITDA is defined as Operating Profit before Depreciation and Amortization

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Sales

Total sales in the second quarter grew 15.3%, to $36,409 million pesos, higher than the $31,586 million pesos obtained during the same quarter last year. This growth is due to the incorporation of 13 net stores in the last twelve months in Mexico that represented a growth in sales floor of 1.7% in Mexico, as well as an increase in same store sales of 3.1% in Mexico and 9.6% in dollars in the United States.

Gross Profit

Gross profit grew 16.5%, reaching $8,212 million pesos, representing 22.6% of sales, higher than the 22.3% during the same period last year. This margin improvement is explained by the following:

In Mexico we have maintained our price aggressiveness without affecting gross margin, while in the United States strong promotion management in El Super and Fiesta allowed us to improve gross margin, resulting in a better consolidated gross margin.

Operating Expenses

During the second quarter of 2020, operating expenses (without depreciation and amortization) represented 15% of sales, increasing 15.3% compared to the same period last year. This increase is mainly due to:

- Higher operating expenses associated with the 13 net new opened stores in Mexico in the last twelve months, which have yet to reach maturity.
- Expenses of $152 million pesos used in actions implemented to address the contingency by Covid-19
- Higher participation of U.S Retail, which operates with a higher expense to sales structure than Mexico, in the Consolidated results.

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Depreciation and Amortization

Depreciation and amortization grew 7.1% in relation to the same period last year. This increase reflects higher investments in assets, technology and maintenance in the last twelve months.

EBITDA

Consolidated EBITDA grew 19.0% in relation to last year's, increasing from $2,299 million in 2019 to $2,737 million in 2020, representing 7.5% of sales, an increase of 24 basis points.

Financing Cost

Consolidated financing costs increased 5.2% compared to the same period last year from $753 million pesos in 2019 to $792 million pesos in 2020. This increase includes 13.5% growth related to the United States operation, primarily due to a higher exchange rate and a reduction in the financing cost in Mexico due to lower average debt than in 2019.

Net Income

The consolidated net income of the quarter grew 60.8% to $681 million pesos, representing 1.9% of sales.

Financing

Proof of our financial strength is reflected in the reduction of $1,778 million pesos in net bank debt compared to the same quarter in 2019, which, by the end of June 2020 represents $10,420 million pesos, consisting of $3,561 million pesos short term, $11,110 million pesos long term and $4,251 million pesos in cash and temporary investments.

By Division, Mexico had a net bank debt of $ 5,179 million pesos, with a reduction of $ 1,815 million versus previous year, while Bodega Latina's net debt was $ 5,240, with an increase of only $ 37 million pesos versus prior year, despite an increase in the exchange rate of 19.8%.

Accumulated invested CAPEX from January to June in 2020 rose to $1,227 million pesos.

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With these figures, net bank debt ratio to EBITDA in the last 12 months is 1.06 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 highlight that, by the end of June, 79% of the long-term debt in Mexico, an amount of $3,524 million pesos is covered by a fixed rate of 8.1%.

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

Financial Information

Net Sales By Segment	Q2-2019	% of Total	Q2-2020	% of Total	Growth %
Mexico Retail	18,593	58.9%	19,388	53.2%	4.3%
USA Retail	12,724	40.3%	16,871	46.3%	32.6%
Real Estate	269	0.9%	150	0.4%	-44.2%
Consolidated sales	31,586	100.0%	36,409	100.0%	15.3%

EBITDA By Segment	Q2-2019	% of Total	Q2-2020	% of Total	Growth %
Mexico Retail	1,329	57.8%	1,386	50.6%	4.3%
USA Retail	780	33.9%	1,275	46.6%	63.4%
Real Estate	190	8.3%	76	2.8%	-59.9%
Consolidated EBITDA	2,299	100.0%	2,737	100.0%	19.0%

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Infrastructure Data by segment

Installed Capacity By Segment	Openings		Stores as of Q2-20	Openings LTM
	Q2-2019	Q2-2020		
Stores in Mexico	1	3	309	13
Stores in USA	0	0	125	0
Total	1	3	434	13

Installed Capacity By Segment	Sqm Sales Area		Sqm as of Q2-20	Cumulative Growth 2020
	Openings Q2-19	Openings Q2-20		
Stores in Mexico	4,347	6,142	1,466,505	1.7%
Stores in USA	-	-	358,591	0.0%
Total	4,347	6,142	1,825,096	1.4%

Retail in Mexico

Sales corresponding to the second quarter of 2020 grew 4.3% reaching $19,388 million pesos compared to the $18,593 million pesos during the same period last year, as a result of an increase in same store sales of 3.1% versus previous year, as well as the incorporation of 13 net stores in the last 12 months, which represented a growth of 1.7% in sales floor.

It is important to mention that same store sales results in the quarter were negatively impacted by Chedraui's significant store footprint in the tourist areas of the country, which decreased 11.6%, while the rest of the stores grew 6.3% in the same period, mostly, driven by a 12.8% growth in the Metropolitan Area. In July we are experiencing improved results in the tourist areas and more moderate growth in the Metropolitan area.

Due to the spread of the Covid-19 virus in our country, during the second quarter we experienced a series of events that affected sales in our stores, such as:

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- Significant drop in tourism in areas where Chedraui has a strong presence, such as Cancún, Riviera Maya, Huatulco, Puerto Escondido, Acapulco, Puerto Vallarta and los Cabos, to name a few.
- The closure of stores in some cities during weekends in May
- Partial or total restrictions on the sale of alcoholic beverages as well as non-essential products in different cities.
- Reduction in operating hours, according to official measures in every city.

The challenges we have faced during this contingency show the strength and flexibility of our operation to carry out, on the one hand, all necessary actions that guarantee to our customers, employees and suppliers that our facilities operate under the highest health standards, and on the other hand, to skillfully manage inventory, to ensure we deliver on the value proposition that our customers demand.

Our Omnichannel operation deserves to be highlighted, allowing us to serve the growing demand from our customers, representing 4.6% of ~~on~~ total sales during this quarter.

During the quarter, gross margin was kept at similar levels as last year's, as operating expenses grew proportionally to sales, which allowed us to maintain EBITDA margin at the same level as last year's. As a result, EBITDA grew 4.3%, reaching $1,386 million pesos, representing 7.1% of sales.

Retail in U.S.A.

Same as we have done it in previous quarters, for better reference, the operation before the acquisition of Fiesta, will be named "El Super", the acquired operation will be "Fiesta" and the figures of the whole business in the United States will be referred to as "Retail in the United States".

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During the second quarter of 2020, retail sales in the United States grew 32.6% from $12,724 million pesos in 2019 to $16,871 million pesos in 2020. This was ~~is~~ due to an increase of 8.9% in same store sales at the El Super operation and 10.6% at Fiesta, both in dollar terms.

During the quarter, El Super continued to show strong results in, sales, gross margin and operating expenses, which resulted in EBITDA growth of 57.3% versus previous year, reaching $853 million pesos, representing 8.9% of sales.

At Fiesta, sales were strong, with double-digit sales growth during the quarter. With margin improvements versus last year, plus strict operating expense control, EBITDA grew 77.3% reaching $422 million pesos, representing 5.8% of sales.

Total EBITDA for United States retail was $1,275 million pesos, with a margin over sales of 7.6%, composed as follows:

EBITDA	Q2-2019	% of Sales	Q2-2020	% of Sales	Growth %	Bps
El Super	542	7.4%	853	8.9%	57.3%	141 bps
Fiesta	238	4.4%	422	5.8%	77.3%	145 bps
USA Retail	780	6.1%	1,275	7.6%	63.4%	142 bps

In this quarter the exchange rate used for the conversion of the financial statements was $23.21 pesos, 21.4% higher than the $19.12 pesos utilized in the same period last year.

Real Estate

Income in this segment during the second quarter of 2020 decreased 44.2% from $269 million pesos in 2019 to $150 million pesos in 2020. This is due to the temporary reduction of lease payments during the quarter, which we estimate to normalize during the rest of the year with the gradual re-opening of all leased spaces. During the last twelve months, we added 10,011m2 of leasable area that represented ~~a~~ growth of 2.7%.

The EBITDA achieved this year rose to $76 million pesos, with a margin over sales of 50.6%.

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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 June 30th 2020, the company had the following units in operation:

México	198	Tiendas Chedraui	(20 Selecto)
	61	Tiendas Súper Chedraui	(4 Selecto)
	12	Tiendas Súper Che	
	38	Tiendas Supercito	
Estados Unidos	64	Tiendas El Super	
	61	Tiendas Fiesta	
Total	434		

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Appendix

Results of the second quarter 2020

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

Consolidated Quarter Income Statements
(Figures in millions of mexican pesos)

	Q2-2019	% Sales	Q2-2020	% Sales	Growth %
Sales	**31,586**	***100.0%***	**36,409**	***100.0%***	**15.3%**
Cost of Sales	24,539	*77.7%*	28,197	*77.4%*	14.9%
Gross Profit	**7,047**	***22.3%***	**8,212**	***22.6%***	**16.5%**
Operating expenses	4,748	*15.0%*	5,475	*15.0%*	15.3%
Depreciation and Amortization	910	*2.9%*	975	*2.7%*	7.1%
Operating Income	**1,389**	***4.4%***	**1,762**	***4.8%***	**26.9%**
Ebitda	**2,299**	***7.3%***	**2,737**	***7.5%***	**19.0%**
Financial cost	753	*2.4%*	792	*2.2%*	5.2%
Income Before Taxes	**636**	***2.0%***	**970**	***2.7%***	**52.6%**
Income Taxes	213	*0.7%*	290	*0.8%*	36.2%
Consolidated Net Income	**423**	***1.3%***	**681**	***1.9%***	**60.8%**

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Accumulated results status during the second quarter of 2020

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

Consolidated Income Statements
(Figures in millions of mexican pesos)

	2019	% Sales	2020	% Sales	Growth %
Sales	**62,711**	***100.0%***	**71,913**	***100.0%***	**14.7%**
Cost of Sales	48,941	*78.0%*	56,122	*78.0%*	14.7%
Gross Profit	**13,770**	***22.0%***	**15,791**	***22.0%***	**14.7%**
Operating expenses	9,180	*14.6%*	10,470	*14.6%*	14.1%
Depreciation and Amortization	1,795	*2.9%*	1,877	*2.6%*	4.6%
Operating Income	**2,796**	***4.5%***	**3,444**	***4.8%***	**23.2%**
Ebitda	**4,591**	***7.3%***	**5,321**	***7.4%***	**15.9%**
Financial cost	1,494	*2.4%*	1,656	*2.3%*	10.8%
Income Before Taxes	**1,302**	***2.1%***	**1,789**	***2.5%***	**37.3%**
Income Taxes	442	*0.7%*	566	*0.8%*	28.0%
Consolidated Net Income	**860**	***1.4%***	**1,223**	***1.7%***	**42.1%**

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

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2020, 2019

(Figures in thousands of mexican pesos)	June 2019	%	June 2020	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	1,692,731		4,251,219		2,558,488	151.1
Trade and other current receivables	1,029,393		983,373	-	46,020 -	4.5
Current tax assets, current	2,741,573		2,222,188	-	519,385 -	18.9
Other current financial assets	580,053		529,472	-	50,581 -	8.7
Current inventories	12,252,736		11,877,139	-	375,597 -	3.1
Total current assets	**18,296,486**	**20.7%**	**19,863,391**	**21.5%**	**1,566,905**	**8.6**
Non-current assets						
Trade and other non-current receivables	400,507		370,045	-	30,462 -	7.6
Investments in subsidiaries, joint ventures and associates	6,414		4,336	-	2,078 -	32.4
Property, plant and equipment	34,106,609		33,692,537	-	414,072 -	1.2
Investment property	8,679,203		9,511,675		832,472	9.6
Right-of-use assets that do not meet definition of investme	19,742,248		21,648,351		1,906,103	9.7
Goodwill	2,244,231		2,616,057		371,826	16.6
Intangible assets other than goodwill	2,514,441		2,657,517		143,076	5.7
Deferred tax assets	1,617,915		1,197,648	-	420,267 -	26.0
Other non-current non-financial assets	569,668		975,551		405,883	71.2
Total non-current assets	**69,881,235**	**79.3%**	**72,673,717**	**78.5%**	**2,792,482**	**4.0**
Total assets	**88,177,721**	**100.0%**	**92,537,108**	**100.0%**	**4,359,387**	**4.9**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	18,193,261		17,955,331	-	237,930 -	1.3
Current tax liabilities, current	118,452		270,176		151,724	128.1
Other current financial liabilities	4,748,690		6,059,722		1,311,032	27.6
Current lease liabilities	595,691		647,597		51,906	8.7
Current provisions						
Current provisions for employee benefits	457,589		684,618		227,029	49.6
Other current provisions	265,195		293,047		27,852	10.5
Total current provisions	722,784		977,665		254,881	35.3
Total current liabilities other than liabilities included in di	24,378,878		25,910,491		1,531,613	6.3
Liabilities included in disposal groups classified as held fo	-		-		-	
Total current liabilities	**24,378,878**	**27.6%**	**25,910,491**	**28.0%**	**1,531,613**	**6.3**
Non-current liabilities						
Trade and other non-current payables	362,676		297,000	-	65,676 -	18.1
Other non-current financial liabilities	9,561,906		9,633,778		71,872	0.8
Non-current lease liabilities	22,231,396		25,008,785		2,777,389	12.5
Non-current provisions						
Non-current provisions for employee benefits	603,864		860,696		256,832	42.5
Deferred tax liabilities	3,632,010		2,990,517	-	641,493 -	17.7
Total non-current liabilities	**36,391,852**	**41.3%**	**38,790,776**	**41.9%**	**2,398,924**	**6.6**
Total liabilities	**60,770,730**	**68.9%**	**64,701,267**	**69.9%**	**3,930,537**	**6.5**
Equity						
Issued capital	252,119		252,120		1	0.0
Share premium	3,550,271		3,489,315	-	60,956 -	1.7
Treasury shares	277,688		264,572	-	13,116 -	4.7
Retained earnings	23,257,576		24,392,000		1,134,424	4.9
Other reserves	534,448	-	61,749	-	596,197 -	111.6
Total equity attributable to owners of parent	**27,316,726**	**31.0%**	**27,807,114**	**30.0%**	**490,388**	**1.8**
Non-controlling interests	**90,265**	**0.1%**	**28,727**	**0.0%** -	**61,538** -	**68.2**
Total equity	**27,406,991**	**31.1%**	**27,835,841**	**30.1%**	**428,850**	**1.6**
Total equity and liabilities	**88,177,721**	**100.0%**	**92,537,108**	**100.0%**	**4,359,387**	**4.9**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

FIGURES IN THOUSANDS OF PESOS	JUNE 2019	JUNE 2020
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	860,155	1,222,630
Adjustments to reconcile profit (loss) [abstract]		
+ Adjustments for income tax expense	442,254	565,978
+ (-) Adjustments for finance costs	926,053	945,735
+ Adjustments for depreciation and amortisation expense	1,795,866	1,974,324
+ (-) Adjustments for losses (gains) on disposal of non-current assets	60,376	42,426
+ (-) Adjustments for decrease (increase) in inventories	557,194	2,098,368
+ (-) Adjustments for decrease (increase) in trade accounts receivable	544,157	525,352
+ (-) Adjustments for decrease (increase) in other operating receivables	- 964,276	180,990
Adjustments for increase (decrease) in trade accounts payable	- 3,418,065	- 3,772,048
+ (-) Adjustments for increase (decrease) in other operating payables	- 832,620	- 547,754
+ Other adjustments for non-cash items	8,343	273,136
Total adjustments to reconcile profit (loss)	**- 880,718**	**2,286,507**
Net cash flows from (used in) operations	**- 20,563**	**3,509,137**
- Dividends paid	- 392,218	- 427,882
Net cash flows from (used in) operating activities	- 412,781	3,081,255
Cash flows from (used in) investing activities [abstract]		
+ Proceeds from sales of property, plant and equipment	426,961	2,265
- Purchase of property, plant and equipment	- 2,092,072	- 1,176,859
- Purchase of intangible assets	- 77,068	- 50,003
+ Dividends received	1,657	2,078
+ Interest received	35,149	31,976
Net cash flows from (used in) investing activities	- 1,705,373	- 1,190,543
Cash flows from (used in) financing activities [abstract]		
- Payments to acquire or redeem entity's shares	- 164,132	- 7,428
- Payments of other equity instruments	- 25,252	- 30,549
+ Proceeds from borrowings	4,276,324	4,416,797
- Repayments of borrowings	- 357,305	- 1,519,604
- Payments of lease liabilities	- 353,607	- 309,780
- Interest paid	- 961,203	- 977,711
+ (-) Other inflows (outflows) of cash	- 39,883	- 119,109
Net cash flows from (used in) financing activities	2,374,942	1,452,616
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	256,788	3,343,328
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	184,372	- 76,153
Net increase (decrease) in cash and cash equivalents	441,160	3,267,175
Cash and cash equivalents at beginning of period	1,251,571	984,044
Cash and cash equivalents at end of period	**1,692,731**	**4,251,219**

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