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

- **Consolidated sales growth of 11.0%**
- **Same store sales growth of 4.1% in Mexico, and 6.2% in the US in dollars**
- **Consolidated EBITDA growth of 20.6%**
- **Consolidated net income growth of 112.8%**
- **Net bank debt reduction of $3,579 million pesos**
- **Invested Capex in 2020 of $1,793 million pesos**

Mexico City, October 20, 2020, Grupo Comercial Chedraui, S.A.B. de C.V. presents its 2020 third quarter results. All figures in this report are shown in a nominal terms and reported in accordance with International Financial Reporting Standards (IFRS).

CONSOLIDATED RESULTS FOR THE THIRD QUARTER 2020

The following chart summarizes the results of the three months from July to September 2020:

(Figures in millions of nominal pesos)

Quarterly Results	Q3-2019	% of Sales	Q3-2020	% of Sales	% Growth
Net Sales	31,901	100.0%	35,412	100.0%	11.0%
Gross Profit	7,020	22.0%	8,148	23.0%	16.1%
Operating Income	1,321	4.1%	1,694	4.8%	28.3%
EBITDA	2,220	7.0%	2,677	7.6%	20.6%
Net Income	301	0.9%	640	1.8%	112.8%

EBITDA is defined as Operating Profit before depreciation and amortization.

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Sales

Sales in the third quarter grew 11.0% to $35,412 million pesos, with same store sales increasing 4.1% in Mexico and 6.2% in the United States in dollar terms. This growth is due to the incorporation of a net of 11 stores in the last twelve months in Mexico and the United States that represented sales floor growth of 0.9%.

Gross Profit

Gross profit, at 23.0% of sales, grew 16.1% to $8,148 million. This 23.0% margin is 100bps higher than the one obtained during the same quarter last year and this improvement is due to the following:

- In Mexico, a difference in the mix of back-to-school sales versus prior years, with a significant reduction in the stationary department which was offset with higher sales in electronics. This product mix shift affected gross margin given that the stationary department has higher gross margin than electronics.

- In the United States, continued improvement in promotions management at both El Super and Fiesta resulted in improved gross margin versus prior year.

- The higher participation in the U.S. business, which maintains a higher gross margin structure than in Mexico.

Operating Expenses

During the third quarter, operating expenses (without depreciation nor amortization) grew 14.0% and represented 15.4% of sales. This growth is due to the following:

- Higher operating expenses associated with the 11 net new stores that opened in Mexico and the U.S. over the last 12 months which have yet to reach sales maturity.

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- Higher participation of U.S. retail in the Consolidated, which operates with a higher expense/sales structure than Mexico.

Depreciation and Amortization

Depreciation and amortization increased 9.4% versus the prior comparative quarter, and this increase reflects investments in assets, technology and maintenance over the last twelve months.

EBITDA

Consolidated EBITDA grew 20.6% in relation to last year from $2,220 million in 2019 to $2,677 in 2020. This represents 7.6% of sales and an increase of 60 basis points.

Financing Cost

Financing cost decreased 4.9% to the prior comparative quarter to $749 million pesos due to lower average debt.

Net Income

This quarter's consolidated net income increased 112.8% to the one achieved during the same quarter in 2019, reaching an amount of $640 million pesos and representing 1.8% of sales.

Financing

With our continued focus on free cash generation, we reduced net bank debt by $3,579 million pesos versus the same quarter in 2019. Net debt at the end of Q3 of $8,213 million pesos is comprised of $2,080 million pesos of short-term debt, $8,437 million pesos of long-term debt and $2,305 million pesos in cash and temporary investments.

By Division, Mexico reduced its net back debt by $3,433 million pesos to $2,878 million pesos, while Bodega Latina's net bank debt reduced by $146 million pesos to $5,335 million pesos.

Accumulated invested CAPEX from January to September rose to $1,793 million pesos.

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With these figures, the net bank debt to EBITDA ratio in the last twelve months is 0.80 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 September, 77% of the long-term debt in Mexico, an amount of $3,354 million pesos, is set at a weighted fixed interest rate of 8.1%.

The following charts show financial and operative information about Grupo for each of its business segments:

Financial information by segment

Net Sales By Segment	Q3-2019	% of Total	Q3-2020	% of Total	Growth %
Mexico Retail	18,445	57.8%	19,472	55.0%	5.6%
USA Retail	13,189	41.3%	15,742	44.5%	19.4%
Real Estate	267	0.8%	197	0.6%	-26.3%
Consolidated sales	31,901	100.0%	35,412	100.0%	11.0%

EBITDA By Segment	Q3-2019	% of Total	Q3-2020	% of Total	Growth %
Mexico Retail	1,478	66.6%	1,517	56.6%	2.7%
USA Retail	557	25.1%	1,036	38.7%	85.9%
Real Estate	185	8.3%	125	4.7%	-32.5%
Consolidated EBITDA	2,220	100.0%	2,677	100.0%	20.6%

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Infrastructure Data by segment

Installed Capacity By Segment	Openings		Stores as of Q3-20	Openings LTM
	Q3-2019	Q3-2020		
Stores in Mexico	5	6	314	13
Stores in USA	0	-2	123	-2
Total	5	4	437	11

Installed Capacity By Segment	Sqm Sales Area			Cumulative Growth 2020
	Openings Q3-19	Openings Q3-20	Sqm as of Q3-20	
Stores in Mexico	19,820	21,540	1,483,305	1.5%
Stores in USA	-	- 5,730	352,861	-1.6%
Total	19,820	15,810	1,836,166	0.9%

Retail in Mexico

Sales during the third quarter 2020 grew 5.6% reaching $19,472 million pesos compared to the $18,445 million pesos during the same period last year. The increase is a result of an increase in same store sales of 4.1% and the incorporation of 13 net stores in the last twelve months. These 13 new stores represented sales floor growth of 1.5%.

It is important to highlight that during this quarter we experienced significant sales improvement in many tourist cities including Cancun, Riviera Maya, Huatulco, Puerto Escondido, Acapulco, Puerto Vallarta and Los Cabos. In these areas, growth was slightly positive versus the prior quarter which was double-digit negative. Another important fact is that the same store sales growth during the quarter of 4.1% is double to what the Antad reported during the same period.

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In the same way we have done since the beginning of the pandemic, we continue to carry out all necessary measures to guarantee our employees, customers and vendor partners that our facilities are operating under the highest health and safety standards.

With respect to our Omnichannel operations, we continue to see rising demand from our customers and achieved an average participation of 4.5% of total sales during this quarter.

During this quarter gross margin was slightly lower than last year. This change was due primarily due to the change in the back-to-school sales mix in which the higher margin stationary category dropped drastically, and was offset by increased, but lower margin sales in electronics.

Increased sales, slightly lower margin and similar operating expenses combined for 2.7% EBITDA growth. Total EBITDA reached $1,516 million pesos and represented 7.8% of sales.

Retail in the United States

Retail sales in the U.S. grew 19.4% in the third quarter to $15,742 million pesos. This growth came from same store sales increases of 6.7% at El Super and 5.5% at Fiesta, both in dollar terms.

During the third quarter in 2020 El Super continued to show good results in sales, gross margin and operating expenses which resulted in EBITDA growth of 42.9% versus the prior comparative quarter. Total EBITDA in the quarter was $746 million pesos and represented 8.0% of sales.

Fiesta also obtained a double-digit sales growth, improved margin and controlled operating expenses, and these combined for an EBITDA of $290 million pesos. This result is a 721.1% increase versus the prior comparative quarter and represented 4.5% of sales.

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Retail in the United States generated EBITDA of $1,036 million pesos with a margin over sales of 6.6%, the details of which are presented in the following chart:

EBITDA	Q3-19	% of Sales	Q3-2020	% of Sales	Growth %	Bps
El Super	522	6.8%	746	8.0%	42.9%	125 bps
Fiesta	35	0.6%	290	4.5%	721.1%	384 bps
USA Retail	557	4.2%	1,036	6.6%	85.9%	236 bps

In this quarter, the exchange rate used for the conversion of financial statements was 22.19 pesos, which is 13.2% higher than the 19.61 pesos used during the same quarter last year.

Real Estate

Real Estate sales during the third quarter shrank 26.3% to $197 million pesos. This reduction was a consequence of temporary reductions on lease payments; however, we expect rent collections to normalize over the rest of the year. Over the last twelve months we incorporated 10,953 m2 of leasable land and this represented growth of 3.0%.

EBITDA in this segment dropped to $125 million pesos and represents 63.2% of sales.

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Company Description

Grupo Comercial Chedraui S.A.B. de C.V. lists its shares in the Bolsa Mexicana de Valores under the code “CHDRAUI”, and as of September 30, 2020 was operating the following stores:

México	201	Tiendas Chedraui	(20 Selecto)
	62	Tiendas Súper Chedraui	(4 Selecto)
	12	Tiendas Súper Che	
	39	Tiendas Supercito	
Estados Unidos	64	Tiendas El Super	
	59	Tiendas Fiesta	
Total	437		

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Annexes

Results for the Third Quarter of 2020

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

Consolidated Quarter Income Statements

(Figures in millions of mexican pesos)

	Q3-2019	% Sales	Q3-2020	% Sales	Growth %
Sales	**31,901**	***100.0%***	**35,412**	***100.0%***	**11.0%**
Cost of Sales	24,881	*78.0%*	27,264	*77.0%*	9.6%
Gross Profit	**7,020**	***22.0%***	**8,148**	***23.0%***	**16.1%**
Operating expenses	4,800	*15.0%*	5,470	*15.4%*	14.0%
Depreciation and Amortization	899	*2.8%*	984	*2.8%*	9.4%
Operating Income	**1,321**	***4.1%***	**1,694**	***4.8%***	**28.3%**
Ebitda	**2,220**	***7.0%***	**2,677**	***7.6%***	**20.6%**
Financial cost	788	*2.5%*	749	*2.1%*	-4.9%
Income Before Taxes	**533**	***1.7%***	**945**	***2.7%***	**77.4%**
Income Taxes	232	*0.7%*	305	*0.9%*	31.4%
Consolidated Net Income	**301**	***0.9%***	**640**	***1.8%***	**112.8%**

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

Consolidated Income Statements

(Figures in millions of mexican pesos)

	2019	*% Sales*	2020	*% Sales*	Growth %
Sales	**94,612**	***100.0%***	**107,325**	***100.0%***	**13.4%**
Cost of Sales	73,822	*78.0%*	83,386	*77.7%*	13.0%
Gross Profit	**20,790**	***22.0%***	**23,938**	***22.3%***	**15.1%**
Operating expenses	13,980	*14.8%*	15,940	*14.9%*	14.0%
Depreciation and Amortization	2,694	*2.8%*	2,860	*2.7%*	6.2%
Operating Income	**4,117**	***4.4%***	**5,138**	***4.8%***	**24.8%**
Ebitda	**6,810**	***7.2%***	**7,999**	***7.5%***	**17.4%**
Financial cost	2,282	*2.4%*	2,405	*2.2%*	5.4%
Income Before Taxes	**1,835**	***1.9%***	**2,733**	***2.5%***	**49.0%**
Income Taxes	674	*0.7%*	871	*0.8%*	29.1%
Consolidated Net Income	**1,161**	***1.2%***	**1,863**	***1.7%***	**60.5%**

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

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2020, 2019

(Figures in thousands of mexican pesos)

	September 2019	%	September 2020	%	Differences $	Differences %
Assets						
Current assets						
Cash and cash equivalents	907,712		2,304,864		1,397,152	153.9
Trade accounts receivables	346,668		165,719	-	180,949 -	52.2
Other currents receivable	567,755		615,768		48,013	8.5
Current tax assets, current	2,668,961		2,365,395	-	303,566 -	11.4
Other current financial assets	807,569		625,541	-	182,028 -	22.5
Current inventories	13,657,379		12,498,490	-	1,158,889 -	8.5
Total current assets	**18,956,044**	**21.1%**	**18,575,777**	**20.6%** -	**380,267** -	**2.0**
Non-current assets						
Trade and other non-current receivables	322,067		350,574		28,507	8.9
Investments in subsidiaries, joint ventures and associates	6,413		139,335		132,922	2,072.7
Property, plant and equipment	34,478,778		33,419,952	-	1,058,826 -	3.1
Investment property	8,679,203		9,511,675		832,472	9.6
Right-of-use assets that do not meet definition of investme	20,201,571		21,025,111		823,540	4.1
Goodwill	2,253,333		2,562,334		309,001	13.7
Intangible assets other than goodwill	2,550,923		2,583,066		32,143	1.3
Deferred tax assets	1,617,915		1,197,647	-	420,268 -	26.0
Other non-current non-financial assets	609,470		870,907		261,437	42.9
Total non-current assets	**70,719,673**	**78.9%**	**71,660,601**	**79.4%**	**940,928**	**1.3**
Total assets	**89,675,717**	**100.0%**	**90,236,378**	**100.0%**	**560,661**	**0.6**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade accounts payable	16,730,244		16,696,350	-	33,894 -	0.2
Other short-term accounts payable	2,891,354		2,864,701	-	26,653 -	0.9
Current tax liabilities, current	174,153		296,099		121,946	70.0
Short-term bank debt	3,479,316		2,079,801	-	1,399,515 -	40.2
Other current financial liabilities	18,090		17,934	-	156 -	0.9
Current lease liabilities	610,441		642,912		32,471	5.3
Current provisions						
Current provisions for employee benefits	558,518		905,996		347,478	62.2
Other current provisions	209,547		211,574		2,027	1.0
Total current provisions	768,065		1,117,570		349,505	45.5
Total current liabilities	**24,671,663**	**27.5%**	**23,715,367**	**26.3%** -	**956,296** -	**3.9**
Non-current liabilities						
Other long-term accounts payable	363,846		30,400	-	333,446 -	91.6
Long Term Bank debt	9,220,434		8,437,715	-	782,719 -	8.5
Other non-current financial liabilities	454,190		893,386		439,196	96.7
Non-current lease liabilities	22,882,298		24,461,987		1,579,689	6.9
Non-current provisions						
Non-current provisions for employee benefits	598,688		850,354		251,666	42.0
Deferred tax liabilities	3,842,717		3,533,282	-	309,435 -	8.1
Total non-current liabilities	**37,362,173**	**41.7%**	**38,207,124**	**42.3%**	**844,951**	**2.3**
Total liabilities	**62,033,836**	**69.2%**	**61,922,491**	**68.6%** -	**111,345** -	**0.2**
Equity						
Issued capital	252,120		252,120		-	-
Share premium	3,534,162		3,473,081	-	61,081 -	1.7
Treasury shares	284,355		274,700	-	9,655 -	3.4
Retained earnings	23,574,217		24,994,680		1,420,463	6.0
Other reserves	490,102	-	78,452	-	568,554 -	116.0
Total equity attributable to owners of parent	**27,566,246**	**30.7%**	**28,366,729**	**31.4%**	**800,483**	**2.9**
Non-controlling interests	**75,635**	**0.1%** -	**52,842**	**-0.1%** -	**128,477** -	**169.9**
Total equity	**27,641,881**	**30.8%**	**28,313,887**	**31.4%**	**672,006**	**2.4**
Total equity and liabilities	**89,675,717**	**100.0%**	**90,236,378**	**100.0%**	**560,661**	**0.6**

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

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

FIGURES IN THOUSANDS OF PESOS	SEPTEMBER 2019	SEPTEMBER 2020
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	1,160,825	1,862,571
Adjustments to reconcile profit (loss) [abstract]		
+ Adjustments for income tax expense	674,104	870,588
+ (-) Adjustments for finance costs	1,445,234	1,381,676
+ Adjustments for depreciation and amortisation expense	2,748,490	2,978,240
+ (-) Adjustments for losses (gains) on disposal of non-current assets	12,408	88,716
+ (-) Adjustments for decrease (increase) in inventories	- 579,134	1,414,117
+ (-) Adjustments for decrease (increase) in trade accounts receivable	436,812	633,582
+ (-) Adjustments for decrease (increase) in other operating receivables	- 915,173	132,722
Adjustments for increase (decrease) in trade accounts payable	- 1,976,438	- 2,153,232
+ (-) Adjustments for increase (decrease) in other operating payables	- 914,071	363,689
+ Other adjustments for non-cash items	1,185	- 287,294
Total adjustments to reconcile profit (loss)	**933,417**	**5,422,804**
Net cash flows from (used in) operations	**2,094,242**	**7,285,375**
- Dividends paid	- 392,218	- 427,882
Net cash flows from (used in) operating activities	1,702,024	6,857,493
Cash flows from (used in) investing activities [abstract]		
- Other cash payments to acquire equity or debt instruments of other entities	-	- 135,000
+ Proceeds from sales of property, plant and equipment	573,571	3,224
- Purchase of property, plant and equipment	- 3,049,062	- 1,699,182
- Purchase of intangible assets	- 117,537	- 94,048
+ Dividends received	1,657	2,078
+ Interest received	21,684	58,386
Net cash flows from (used in) investing activities	- 2,569,687	- 1,864,542
Cash flows from (used in) financing activities [abstract]		
- Payments to acquire or redeem entity's shares	- 170,799	- 17,555
- Payments of other equity instruments	- 39,971	- 165,610
+ Proceeds from borrowings	2,967,722	583,333
- Repayments of borrowings	- 380,781	- 1,681,020
- Payments of lease liabilities	- 524,584	- 453,940
- Interest paid	- 1,466,918	- 1,440,061
+ (-) Other inflows (outflows) of cash	- 60,421	- 428,688
Net cash flows from (used in) financing activities	324,248	- 3,603,541
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	- 543,415	1,389,410
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	199,556	- 68,590
Net increase (decrease) in cash and cash equivalents	- 343,859	1,320,820
Cash and cash equivalents at beginning of period	1,251,571	984,044
Cash and cash equivalents at end of period	**907,712**	**2,304,864**

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