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

RELEVANT RESULTS AND FACTS FOR THE FOURTH QUARTER OF 2019

- **Consolidated sales growth of 0.9%**
- **Same store sales growth in Mexico of 2.1%**
- **Consolidated net income growth of 124.4%**
- **Invested CapEx invested in 2019 of $4,092 million pesos**
- **5 store openings in Mexico during the quarter**
- **Sales floor growth of 2.2% in the last twelve months in Mexico**

Mexico City, February 25th 2019, Grupo Comercial Chedraui, S.A.B. de C.V. announces its results corresponding to the fourth quarter of 2019. All figures in this report are presented in nominal terms and reported in accordance with International Financial Reporting Standards (IFRS), including the impact of IFRS 16 on a comparable basis.

CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2019

The following chart shows the comparative summary income statement for the three months from October to December 2019.

(Figures in millions of nominal Pesos)

Quarterly Results	Q4-2018	% of Sales	Q4-2019	% of Sales	% Growth
Net Sales	34,534	100.0%	34,831	100.0%	0.9%
Gross Profit	7,001	20.3%	7,162	20.6%	2.3%
Operating Income	1,148	3.3%	1,459	4.2%	27.1%
EBITDA	2,197	6.4%	2,317	6.7%	5.4%
Net Income	168	0.5%	376	1.1%	124.4%

EBITDA is defined as Operating Profit before Depreciation and Amortization

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Sales

Total sales grew 0.9% to $34,831 million pesos which is higher than the $34,534 million pesos obtained in the prior comparative quarter. This growth is due to the incorporation of nine stores in the last twelve months in Mexico, same store sales growth of 2.1% in Mexico, 1.7% in same store sales growth in dollars at El Super and a 3.7% decrease in same store sales in dollars at Fiesta. These nine new stores in Mexico added 2.2% to total sales floor.

At an accumulative level, sales increased 11.6% and reached $129,443 million pesos.

Gross Profit

Gross profit, at 20.6% of sales, increased 2.3% to $7,162 million pesos. This 20.6% gross margin is 30bps higher than the 20.3% obtained in the same period of the previous year. In Mexico, margins were stable despite a very competitive commercial environment. In the United States, El Super margins were also similar to last year, while Fiesta posted an important improvement in gross margin, increasing from 19.7% in 2018 to 21.6% in 2019.

For fiscal year 2019, Gross Profit increased in 13.1% to $27,952 million pesos. Gross profit was 21.6% of sales and 29 basis points higher compared to fiscal year 2018.

Operating Expenses

During the fourth quarter of 2019, operating expenses (without depreciation and amortization) represented 13.9% of sales, which is the same as percentage as last year. The same expense to sales ratio was maintained despite the higher operating expenses associated with the 9 new stores that opened in Mexico which are yet to reach maturity.

At an accumulative level, operating expenses (without depreciation nor amortization) represented the 14.5% of the sales, which is 26 basis points higher than the result obtained in 2018.

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Depreciation and Amortization

Depreciation and Amortization decreased 18.3% in relation Q4 of last year. This decrease was caused by the adjustments made during the fourth quarter of FY 2018 at El Super and Fiesta, for the application of the IFRS 16 at both divisions, and at Fiesta, FY 2018 purchase price accounting impacts.

Fiscal year 2019 depreciation and amortization grew in 14.7% in relation to fiscal year 2018.

EBITDA

Consolidated EBITDA grew 5.4% from $2,197 million pesos in 2018 to $2,316 million pesos in 2019. EBITDA as a percent of sales was 6.7% which represents an improvement of 29 basis points.

For FY 2019, EBITDA grew 10.5% versus FY 2018. Total EBITDA grew from $8,258 million pesos in 2018 to $9,127 million pesos in 2019, and represented 7.1% of sales.

Financing Costs

Financing costs decreased 8.7% compared to the same quarter last year to $829 million pesos. This financing costs includes the effects of the application of IFRS 16.

For FY 2019, financing cost grew in 14.1% versus 2018.

Net Income

Supported by significantly better performance than last year in the United States, fourth quarter consolidated Net Income increased 124.4% versus the prior comparative quarter. Total Net Income reached $376 million pesos and represented 1.1% of sales.

For fiscal year 2019, net income decreased 3.1% compared to 2018 and reached $1,537 million pesos. The FY 2019 result represented 1.2% of sales.

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Financing

By the end of December 2019, the company had net bank debt of $9,517 million pesos. This debt is comprised of $1,768 million pesos of short-term debt, $8,733 million pesos of long-term debt and $984 million pesos in cash and equivalents.

Accumulated invested CAPEX from January to December in 2019 grew to $4,092 million pesos.

With these results, the net bank debt to EBITDA ratio of the last twelve months is 1.04 times. This is slightly less than the 1.07 at the end of December 2018.

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, 79% of the long-term debt in Mexico is covered by a fixed rate of 8.15%, while 50% of the long-term debt in the United States is covered by a fixed rate of 2.65%.

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

Financial Information

Net Sales By Segment	Q4-2018	% of Total	Q4-2019	% of Total	Growth %
Mexico Retail	20,704	60.0%	21,683	62.3%	4.7%
USA Retail	13,597	39.4%	12,882	37.0%	-5.3%
Real Estate	233	0.7%	266	0.8%	14.1%
Consolidated sales	34,534	100.0%	34,831	100.0%	0.9%

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EBITDA By Segment	Q4-2018	% of Total	Q4-2019	% of Total	Growth %
Mexico Retail	1,445	65.7%	1,472	63.5%	1.9%
USA Retail	465	21.2%	667	28.8%	43.4%
Real Estate	288	13.0%	177	7.7%	-38.3%
Consolidated EBITDA	2,197	100.0%	2,317	100.0%	5.4%

Infrastructure data by segment

Installed Capacity By Segment	Sqm Sales Area			Cumulative Growth 2019
	Openings Q4-18	Openings Q4-19	Sqm as of Q4-19	
Stores in Mexico	56,681	3,066	1,466,714	2.2%
Stores in USA	2,826	-	358,591	0.0%
Total	59,507	3,066	1,825,305	1.8%

Retail in Mexico

Sales corresponding to the fourth quarter of 2019 grew 4.7% and reached $21,683 million pesos. Sales increased due to a 2.1% increase in same store sales and the incorporation of 9 new stores that opened in the past 12 months. These new stores added 2.2% to total sales floor.

At an accumulative level, sales in 2019 increased in 7.7% reaching $77,090 million pesos compared to the $71, 587 million pesos obtained in 2018.

Retail Mexico maintained its market aggressiveness and resulted in gross margin at similar levels compared to the last year; however, the growth in operating expenses, which came in slightly higher than the growth in sales, resulted in EBITDA growth of 1.9%. Total FY 2019 EBITDA of $1,472 million pesos represented 6.8% of sales.

In an accumulative level, obtained EBITDA was $5,589 million pesos. This result is 2.6% higher than the one obtained in 2018 and it represented 7.2% of sales.

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Retail in the U.S.A.

During the fourth quarter of 2019, total sales in the United States decreased 5.3% to $12,882 million pesos. This result was due to growth in El Super same store sales of 1.7% in dollar terms, a decrease of 3.7% in same store sales at Fiesta and a 3.9% lower exchange rate than the fourth quarter of 2018.

Accumulated sales grew 17.9% to $51,304 million pesos in fiscal year 2019.

It is relevant to point out that during this year the combined sales of El Super and Fiesta represented nearly 40% of the consolidated sales, which implies a wider diversification regarding Grupo's income.

In the fourth quarter at El Super, operating expenses grew less than sales, mainly due to non-recurring provisions recognized last year and depreciation adjustments resulting from the implementation of IFRS 16 last year. These two issues resulted in higher operating income and EBITDA versus the prior comparative quarter.

With respect to Fiesta, after a difficult third quarter during which migrations to El Super systems occurred, fourth quarter operations were more stable with improvements in gross margin, operating expenses and depreciation versus the prior year. These improvements resulted in significantly better EBITDA during the quarter.

EBITDA generated in the Retail US was $667 million pesos and represented 5.2% of sales.

EBITDA	Q4-2018	% of Sales	Q4-2019	% of Sales	Growth %	Bps
El Super	411	5.4%	502	6.7%	22.0%	126 pbs
Fiesta	54	0.9%	165	3.1%	206.7%	217 pbs
Retail US	465	3.4%	667	5.2%	43.4%	176 pbs

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The exchange rate used in this quarter to convert the financial statements was $19.19 which is 3.9% lower than the $19.97 used in the same period last year.

Accumulated FY 2019 EBITDA was $2,811 million pesos and represented a margin over sales of 5.5%.

Real Estate

Income in the Real Estate segment in the fourth quarter of 2019 grew 14.1% to $266 million pesos. This is a result of an increase in lease contracts tied to inflation and the incorporation of 18,216 m2 of leasable area in the last twelve months. Total leasable area grew 5.1% in 2019.

For fiscal year 2019, real state income grew 14.1% versus 2018 to $1,048 million pesos.

EBITDA in this segment decreased 38.3% versus the prior comparative quarter, moving from $288 million pesos in 2018 to $177 million pesos in 2019 with a margin on sales of 66.8%. This reduction is due to a favorable non-recurring investment properties valuation adjustment recorded in 2018.

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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 December 31st 2019, the company had the following units in operation:

Mexico	198	Tiendas Chedraui	(19 Selecto)
	60	Tiendas Súper Chedraui	(4 Selecto)
	15	Tiendas Súper Che	
	33	Tiendas Supercito	
United States	64	El Super	
	61	Fiesta	
Total	431		

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Appendix

Results of the fourth quarter 2019

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

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

	Q4-2018	% Sales	Q4-2019	% Sales	Growth %
Sales	**34,534**	***100.0%***	**34,831**	***100.0%***	**0.9%**
Cost of Sales	27,533	*79.7%*	27,669	*79.4%*	0.5%
Gross Profit	**7,001**	***20.3%***	**7,162**	***20.6%***	**2.3%**
Operating expenses	4,804	*13.9%*	4,845	*13.9%*	0.9%
Depreciation and Amortization	1,049	*3.0%*	857	*2.5%*	-18.3%
Operating Income	**1,148**	***3.3%***	**1,459**	***4.2%***	**27.1%**
Ebitda	**2,197**	***6.4%***	**2,317**	***6.7%***	**5.4%**
Financial cost	908	*2.6%*	829	*2.4%*	-8.7%
Income Before Taxes	**240**	***0.7%***	**630**	***1.8%***	**163.0%**
Income Taxes	72	*0.2%*	254	*0.7%*	252.9%
Consolidated Net Income	**168**	***0.5%***	**376**	***1.1%***	**124.4%**

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

Consolidated Income Statements
(Figures in millions of mexican pesos)

	2018	% Sales	2019	% Sales	Growth %
Sales	**116,031**	***100.0%***	**129,443**	***100.0%***	**11.6%**
Cost of Sales	91,311	*78.7%*	101,491	*78.4%*	11.1%
Gross Profit	**24,720**	***21.3%***	**27,952**	***21.6%***	**13.1%**
Operating expenses	16,462	*14.2%*	18,825	*14.5%*	14.4%
Depreciation and Amortization	3,097	*2.7%*	3,551	*2.7%*	14.7%
Operating Income	**5,161**	***4.4%***	**5,576**	***4.3%***	**8.0%**
Ebitda	**8,258**	***7.1%***	**9,127**	***7.1%***	**10.5%**
Financial cost	2,726	*2.3%*	3,111	*2.4%*	14.1%
Income Before Taxes	**2,435**	***2.1%***	**2,465**	***1.9%***	**1.2%**
Income Taxes	849	*0.7%*	928	*0.7%*	9.4%
Consolidated Net Income	**1,586**	***1.4%***	**1,537**	***1.2%***	**-3.1%**

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

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2019, 2018

(Figures in thousands of mexican pesos)	December 2018	%	December 2019	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	1,251,571		984,045		- 267,526	- 21.4
Trade and other current receivables	1,519,331		1,412,135		- 107,196	- 7.1
Current tax assets, current	2,337,947		2,253,691		- 84,256	- 3.6
Other current financial assets	372,764		478,596		105,832	28.4
Current inventories	12,870,571		13,470,763		600,192	4.7
Total current assets	**18,352,184**	**20.8%**	**18,599,230**	**21.3%**	**247,046**	**1.3**
Non-current assets						
Trade and other non-current receivables	368,314		278,936		- 89,378	- 24.3
Investments in subsidiaries, joint ventures and associates	8,071		6,413		- 1,658	- 20.5
Property, plant and equipment	33,429,046		32,965,358		- 463,688	- 1.4
Investment property	8,679,206		9,511,675		832,469	9.6
Right-of-use assets that do not meet definition of investme	20,401,306		19,218,355		- 1,182,951	- 5.8
Goodwill	2,297,974		2,184,947		- 113,027	- 4.9
Intangible assets other than goodwill	2,393,466		2,279,682		- 113,784	- 4.8
Deferred tax assets	1,612,699		1,196,860		- 415,839	- 25.8
Other non-current non-financial assets	690,173		1,149,901		459,728	66.6
Total non-current assets	**69,880,255**	**79.2%**	**68,792,127**	**78.7%**	**- 1,088,128**	**- 1.6**
Total assets	**88,232,439**	**100.0%**	**87,391,357**	**100.0%**	**- 841,082**	**- 1.0**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	22,062,313		21,473,747		- 588,566	- 2.7
Current tax liabilities, current	390,718		505,932		115,214	29.5
Other current financial liabilities	428,016		1,785,479		1,357,463	317.2
Current lease liabilities	574,616		560,233		- 14,383	- 2.5
Current provisions						
Current provisions for employee benefits	362,502		429,783		67,281	18.6
Other current provisions	218,498		213,381		- 5,117	- 2.3
Total current provisions	581,000		643,164		62,164	10.7
Total current liabilities	**24,036,663**	**27.2%**	**24,968,555**	**28.6%**	**931,892**	**3.9**
Non-current liabilities						
Trade and other non-current payables	405,113		347,296		- 57,817	- 14.3
Current tax liabilities, non-current	-		-		-	
Other non-current financial liabilities	10,155,397		9,156,873		- 998,524	- 9.8
Non-current lease liabilities	22,571,556		21,761,470		- 810,086	- 3.6
Non-current provisions						
Non-current provisions for employee benefits	609,402		891,640		282,238	46.3
Deferred tax liabilities	3,622,641		2,856,733		- 765,908	- 21.1
Total non-current liabilities	**37,364,109**	**42.3%**	**35,014,012**	**40.1%**	**- 2,350,097**	**- 6.3**
Total liabilities	**61,400,772**	**69.6%**	**59,982,567**	**68.6%**	**- 1,418,205**	**- 2.3**
Equity						
Issued capital	252,120		252,120		-	-
Share premium	3,545,464		3,498,726		- 46,738	- 1.3
Treasury shares	113,557		257,145		143,588	126.4
Retained earnings	22,487,309		23,633,104		1,145,795	5.1
Other reserves	578,501		269,509		- 308,992	- 53.4
Total equity attributable to owners of parent	**26,749,837**	**30.3%**	**27,396,314**	**31.3%**	**646,477**	**2.4**
Non-controlling interests	**81,830**	**0.1%**	**12,476**	**0.0%**	**- 69,354**	**- 84.8**
Total equity	**26,831,667**	**30.4%**	**27,408,790**	**31.4%**	**577,123**	**2.2**
Total equity and liabilities	**88,232,439**	**100.0%**	**87,391,357**	**100.0%**	**- 841,082**	**- 1.0**

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CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED DECEMBER 31, 2019 AND 2018

FIGURES IN THOUSANDS OF PESOS	December 2018	December 2019
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	1,586,460	1,488,473
Adjustments to reconcile profit (loss) [abstract]		
+ Adjustments for income tax expense	848,280	976,646
+ (-) Adjustments for finance costs	1,929,585	1,965,694
+ Adjustments for depreciation and amortisation expense	3,052,708	3,550,061
+ (-) Adjustments for fair value losses (gains)	- 303,215	- 349
+ (-) Adjustments for losses (gains) on disposal of non-current assets	4,733	- 65,941
+ (-) Adjustments for decrease (increase) in inventories	- 2,221,144	- 698,943
+ (-) Adjustments for decrease (increase) in trade accounts receivable	- 106,516	- 308,492
+ (-) Adjustments for decrease (increase) in other operating receivables	- 1,151,407	- 68,958
Adjustments for increase (decrease) in trade accounts payable	3,705,714	- 252,063
+ (-) Adjustments for increase (decrease) in other operating payables	- 549,845	- 1,524,930
+ Other adjustments for non-cash items	- 12,679	176,292
Total adjustments to reconcile profit (loss)	**5,196,214**	**3,749,017**
Net cash flows from (used in) operations	**6,782,674**	**5,237,490**
- Dividends paid	- 376,633	- 392,218
Net cash flows from (used in) operating activities	6,406,041	4,845,272
Cash flows from (used in) investing activities [abstract]		
- Cash flows used in obtaining control of subsidiaries or other businesses	- 4,445,733	-
+ Proceeds from sales of property, plant and equipment	16,561	1,039,461
- Purchase of property, plant and equipment	- 4,271,489	- 3,789,803
- Purchase of intangible assets	- 229,655	- 159,261
+ Dividends received	1,844	1,657
+ Interest received	88,362	42,430
Net cash flows from (used in) investing activities	- 8,840,110	- 2,865,516
Cash flows from (used in) financing activities [abstract]		
- Payments to acquire or redeem entity's shares	- 33,195	- 143,588
- Payments of other equity instruments	- 102,167	- 66,547
+ Proceeds from borrowings	6,016,851	1,206,855
- Repayments of borrowings	- 956,417	- 580,016
- Payments of lease liabilities	- 463,915	- 659,112
- Interest paid	- 2,017,948	- 2,008,124
+ (-) Other inflows (outflows) of cash	- 106,383	- 98,837
Net cash flows from (used in) financing activities	2,336,826	- 2,349,369
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	- 97,243	- 369,613
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	- 172,932	102,087
Net increase (decrease) in cash and cash equivalents	- 270,175	- 267,526
Cash and cash equivalents at beginning of period	1,521,746	1,251,571
Cash and cash equivalents at end of period	**1,251,571**	**984,045**

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