



EARNINGS RELEASE

4Q20

**Stock Price as of February
25th, 2020:** 42.0

Outstanding Shares: 366.5
million

Sales and EBITDA growth of 9% and 20%, respectively.

Net Debt reduction of 35%. Improvement in the Company's Credit Rating.

Figures in millions of nominal Mexican Pesos. Figures may vary due to rounding.

Figures calculated under IFRS.

Estado de Resultados	4 Q		Var %	YTD		Var %
	2019	2020		2019	2020	
Net Sales	4,743	5,902	24%	17,928	19,473	9%
Cost of Sales	2,795	3,292	18%	10,646	11,289	6%
Gross Profit	1,948	2,610	34%	7,282	8,184	12%
Gross Margin	41%	44%		41%	42%	
Operating Expenses	1,136	1,278	13%	4,474	4,639	4%
Operating Income	792	1,450	83%	2,812	3,549	26%
Operating Margin	17%	25%		16%	18%	
EBITDA	948	1,640	73%	3,523	4,227	20%
EBITDA Margin	20%	28%		20%	22%	
Comprehensive Financing Cost	-117	-685	486%	492	932	90%
Net Income	751	1,390	85%	1,427	1,663	17%
Net Margin	16%	24%		8%	9%	

	4 Q		Var %	YTD		Var %
	2019	2020		2019	2020	
Foreign Sales	1,352	1,924	42%	5,247	5,735	9%

	DEC		Var %
	2019	2020	
Net Debt	7,079	4,610	-35%
Net Debt / EBITDA ¹	2.0	1.1	
Capex ²	540	343	

¹ EBITDA Last Twelve Months.

² Refers to year-to-date investments as of December.

Grupo Lamosa ended 2020 with revenue growth and improved operating margins.

San Pedro Garza García, Nuevo Leon, Mexico, February 25th, 2021. Grupo Lamosa announces its results related to the fourth quarter of 2020.

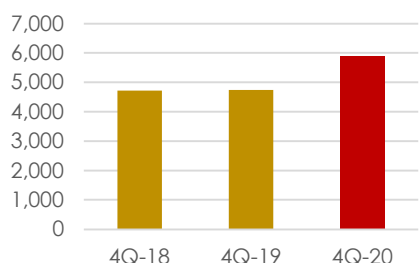
Figures in millions of Mexican Pesos. Figures may vary due to rounding. Figures calculated under International Financial Reporting Standards.

SALES

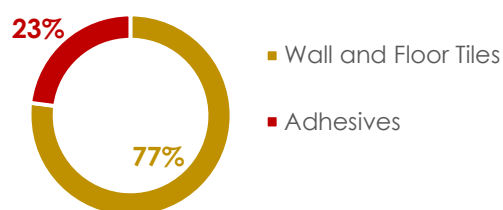
Consolidated sales during 2020 totaled \$19,473 million pesos, showing a 9% year-over-year growth compared to sales of \$17,928 million in the previous year. The reorientation of household spending toward the home remodeling segment was undoubtedly an important factor contributing to these results, despite the 17% contraction in México’s construction GDP, and the climate of uncertainty that prevailed throughout the year.

Sales

(million Pesos)



Sales 4Q-20

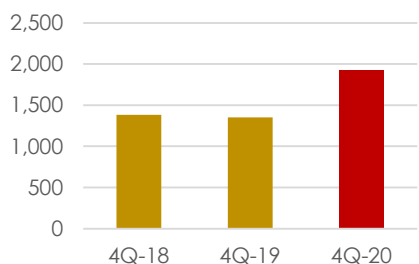


FOREIGN SALES

The Group’s sales growth was driven by the greater dynamism of sales volumes during the second half of the year, both in Mexico and in the other countries where the company operates. Sales outside Mexico at the end of 2020 totaled \$5,735 million pesos, representing 29% of total sales and an annual growth rate of 9%.

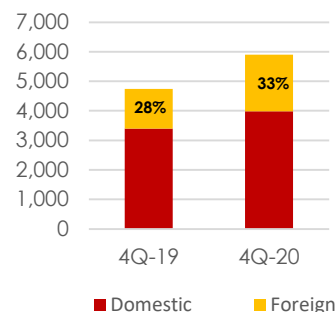
Foreign Sales

(million pesos)



Sales Breakdown

(million pesos)



PERFORMANCE PER BUSINESS SEGMENT

The ability of Grupo Lamosa's businesses to adapt quickly to the new environment resulting from the sanitary contingency, and to reactivate their operations in a timely manner in accordance with customer requirements, allowed to take advantage of the opportunities that arose in the different markets where the company has a presence.

	Wall and Floor Tiles			Adhesives			Total		
	2019	2020	Var %	2019	2020	Var %	2019	2020	Var %
Sales	13,575	14,720	8%	4,353	4,754	9%	17,928	19,473	9%
EBIT	1,916	2,553	33%	1,002	1,181	18%	2,812	3,549	26%
Dep. & Amort. and Others	589	554	-6%	52	71	36%	711	677	-5%
EBITDA	2,505	3,107	24%	1,054	1,252	19%	3,523	4,227	20%
%	18%	21%		24%	26%		20%	22%	

	Wall and Floor Tiles			Adhesives			Total		
	4Q-19	4Q-20	Var %	4Q-19	4Q-20	Var %	4Q-19	4Q-20	Var %
Ventas	3,593	4,556	27%	1,151	1,347	17%	4,744	5,902	24%
Uafir	557	1,091	96%	292	369	26%	792	1,450	83%
Dep. & Amort. and Others	125	158	27%	16	28	75%	157	190	21%
EBITDA	682	1,250	83%	308	397	29%	948	1,640	73%
%	19%	27%		27%	30%		20%	28%	

WALL AND FLOOR TILES

Sales of the Wall and Floor Tiles business at year-end amounted to \$14,720 million pesos, representing 76% of the company's total sales, and an 8% increase compared to sales of \$13,575 million recorded in 2019.

ADHESIVES

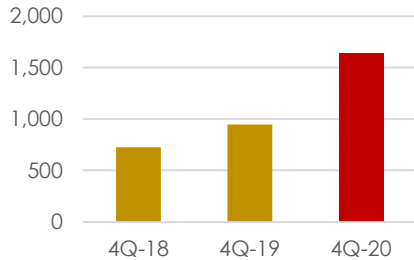
Sales from the adhesives business accounted for 24% of total revenues, ending 2020 with sales of \$4,754 million, up 9% from sales of \$4,353 million posted in 2019.

OPERATING INCOME

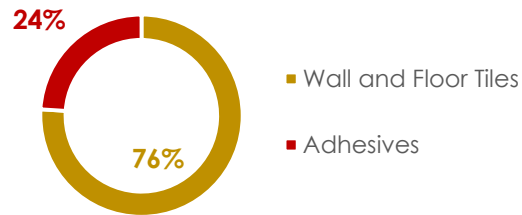
The higher level of revenues recorded during the year, together with the actions implemented to adequately manage the company's costs and expenses in light of the health emergency, allowed the company to end the year with growth in operating results. Operating income was \$3,549 million pesos, showing a 26% growth compared to the income of \$2,812 million in 2019. The operating income to sales margin stood at 18% at the end of 2020, comparing favorably with a margin of 16% in 2019.

Accumulated Ebitda at the end of 2020 amounted to \$4,227 million, 20% higher than the Ebitda of \$3,523 million corresponding to 2019. The Ebitda margin to sales was 22% at the end of 2020, compared to the 20% margin recorded in 2019.

EBITDA
(million pesos)



EBITDA 4Q-20

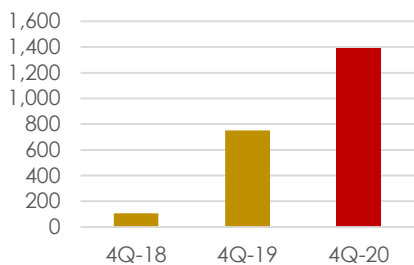


NET INCOME

The improved financial conditions of the company's cost-bearing debt and the reduction in interest rates, both in Mexico and the United States, favored the company's financial cost. Net financial expense at the end of 2020 stood at \$451 million pesos, showing a significant reduction of 38% with respect to the net financial expense of \$723 million in 2019. Despite the above mentioned, the comprehensive financing result was impacted by the \$348 million peso exchange loss recorded during the year, given the 6% devaluation of the peso against the dollar. At year-end, the comprehensive financing result stood at \$932 million, showing an increase of 90% compared to the result of \$492 million in 2019.

Net income for the year benefited from the higher operating results recorded during the year. Net income at the end of 2020 stood at \$1,663 million, showing a 17% growth compared to 2019's income of \$1,427 million. The net income to sales margin increased from 8% in 2019 to a margin of 9% in 2020.

Net Income
(million pesos)



Net Comprehensive Financing Cost

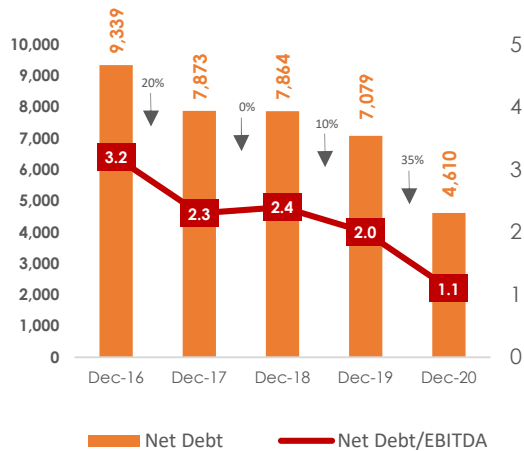
	YTD 2019	YTD 2020	Var %
Net Financial Expense	723	451	-38%
Exchange (Gain) Loss and Others	(232)	482	-307%
	492	932	90%

FINANCIAL PERFORMANCE

The results achieved by Grupo Lamosa made it possible to attain a significant increase in the company's cash flow generation, which contributed to support the organic and inorganic growth investments made during the year, as well as to reduce the company's leverage ratio. Net debt at the end of 2020 stood at \$4,610 million, showing a 35% reduction compared to the net debt of \$7,079 recorded at the end of 2019. The net debt to Ebitda ratio at the end of 2020 stood at 1.1 times, comparing favorably with the 2.0 times ratio recorded at the end of 2019. The company's adequate operating and financial performance in a complicated environment such as 2020, was reflected in an improvement in the company's credit rating.

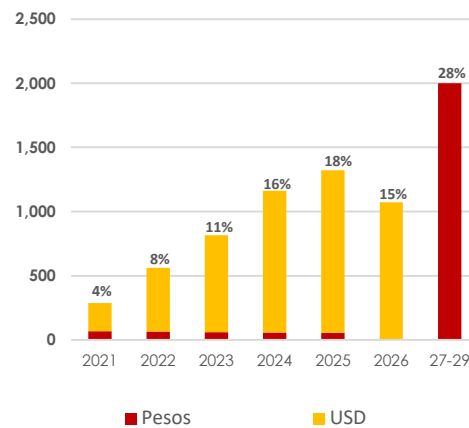
Consolidated Net Debt

(million pesos)



Debt Maturity Profile

Dec-20



Grupo Lamosa celebrated 130 years in the market in 2020, being one of the few centennial companies in Mexico. The leadership and resizing of the company throughout the American continent, makes it one of the main ceramic manufacturers in the world, with a healthy financial structure to continue growing inside and outside Mexico.

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