



# EARNINGS RELEASE

1Q23

**Stock Price as of April 28th, 2023:**  
\$117.0

**Outstanding Shares:** 349.5 million

**Lower revenues due to normalization of demand and less dynamism in the construction industry.**

**Net debt to EBITDA ratio 1.2x and investments of \$485 million pesos.**

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

Figures calculated under IFRS.

Income Statement	1 Q		Var %
	2022	2023	
Net Sales	8,847	8,300	-6%
Cost of Sales	4,867	4,647	-5%
Gross Profit	3,980	3,654	-8%
Gross Margin	45%	44%	
Operating Expenses	2,005	2,187	9%
Operating Income	2,032	1,512	-26%
Operating Margin	23%	18%	
EBITDA	2,271	1,821	-20%
EBITDA Margin	26%	22%	
Comprehensive Financing Cost	-51	-185	261%
Net Income	1,573	1,092	-31%
Net Margin	18%	13%	

	1 Q		Var %
	2022	2023	
Foreign Sales	3,657	3,328	-9%

	DEC		Var %
	2022	2023	
Net Debt	9,166	8,883	-3%
Net Debt / EBITDA <sup>1</sup>	1.1	1.2	
Capex <sup>2</sup>	2,292	485	

<sup>1</sup> EBITDA Last Twelve Months.

<sup>2</sup> Refers mainly to machinery and equipment year-to-date investments as of March, and FANOSA acquisition of US\$ 115 million in 2022.

In the first three months of this year, Grupo Lamosa continued the process of consolidating and optimizing its recent acquisitions, Fanosa and Roca, in Mexico and abroad.

Economic slowdown and a slackening of the company's markets as demand returned to its normal pre-pandemic levels resulted in lower sales volume. Grupo Lamosa reports total revenues of MXN \$8.30 billion pesos, a 6% reduction from the same quarter of the preceding year.

Sales breakdown	Domestic			Foreign			Total		
	1Q-22	1Q-23	Var %	1Q-22	1Q-23	Var %	1Q-22	1Q-23	Var %
Sales	5,189	4,972	-4%	3,657	3,328	-9%	8,847	8,300	-6%
EBIT	1,315	1,156	-12%	717	356	-50%	2,032	1,512	-26%
Dep. & Amort. and Others	130	186	43%	109	123	13%	240	309	29%
EBITDA	1,445	1,342	-7%	826	479	-42%	2,271	1,821	-20%
%	<b>28%</b>	<b>27%</b>		<b>23%</b>	<b>14%</b>		<b>26%</b>	<b>22%</b>	

**San Pedro Garza García, Nuevo Leon, Mexico, April 28, 2023.** Grupo Lamosa announces its results related to the first quarter of 2023.

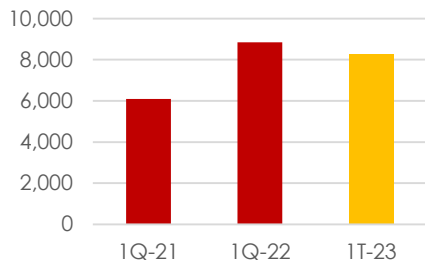
Figures in millions of Mexican Pesos. Figures may vary due to rounding. Figures calculated under International Financial Reporting Standards.

**SALES**

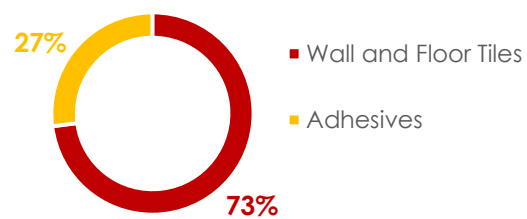
Domestic sales remain the company's main source of revenues, at MXN \$4.97 billion pesos. This is 60% of consolidated sales and a 4% year-to-year reduction.

**Sales**

(million pesos)



**Sales 1Q-23**

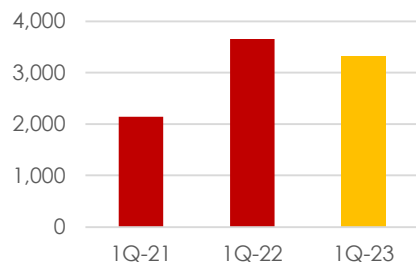


**FOREIGN SALES**

The impact was most notable in export sales, which totaled MXN \$3.33 billion pesos in the first quarter of 2023, down 9% from the same period of 2022.

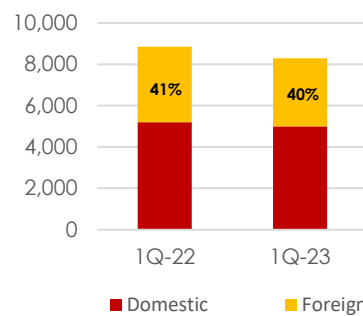
**Foreign Sales**

(million pesos)



**Sales Breakdown**

(million pesos)



## PERFORMANCE PER BUSINESS SEGMENT

During the first quarter of the year, Grupo Lamosa's businesses showed a reduction in their growth rate.

	Wall and Floor Tiles			Adhesives			Total		
	1Q-22	1Q-23	Var %	1Q-22	1Q-23	Var %	1Q-22	1Q-23	Var %
Sales	6,669	6,047	-9%	2,178	2,253	3%	8,847	8,300	-6%
EBIT	1,592	1,112	-30%	417	460	10%	2,032	1,512	-26%
Dep. & Amort. and Others	189	234	24%	30	50	68%	240	309	29%
EBITDA	1,782	1,346	-24%	447	510	14%	2,271	1,821	-20%
%	27%	22%		21%	23%		26%	22%	

### WALL AND FLOOR TILES

Sales in the floor and wall tile business closed the first quarter at MXN \$6.05 billion, 73% of total sales and 9% lower than the result for the first quarter of last year. This business was the hardest hit by the normalization and reduction of demand for its products both in Mexico and in the other countries where it operates—United States, Colombia, Peru, Argentina, Chile, Brazil and Spain.

### ADHESIVES

The adhesives business, which incorporates Fanosa operations, posted revenues of MXN \$2.25 billion in the first quarter of the year, 27% of total group revenues and 3% higher than the first-quarter 2022 figure.

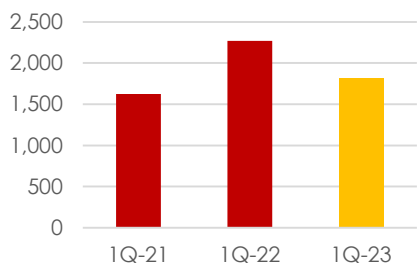
### OPERATING INCOME

Lower revenues, combined with higher costs and expenses, reduced the absorption of fixed costs, and resulted in lower operating income for the year's first quarter: MXN \$1.51 billion, dropping 26% from the first quarter of 2022 and a margin of 18% of sales.

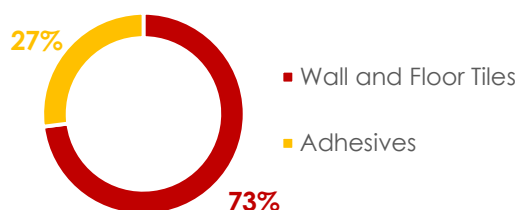
The company's EBITDA was MXN \$1.82 billion, 20% less than in the first three months of the previous year; the EBITDA margin was 22% of sales.



### EBITDA (million pesos)



### EBITDA 1Q-23

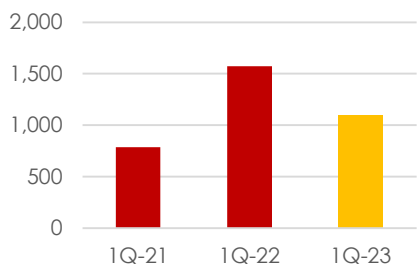


### NET INCOME

Although reporting a 37% rise in net interest expense for the first quarter of the year, the comprehensive financial result benefited from a foreign-exchange gain of MXN \$420 million, caused by the peso's 6% appreciation against the dollar during this period. This is more than the MXN \$233 million gain reported in the same quarter of 2022. With this, comprehensive financing result was an income of MXN \$185 million, compared to an income of MXN \$51 million in the first quarter of 2022.

Year-to-date net income at the close of the year's first quarter stood at MXN \$1.09 billion, a 31% reduction from the first quarter of 2022 and a net margin of 13% of sales. This was due mainly to lower operating results and higher income taxes.

### Net Income (million pesos)



### Net Comprehensive Financing Cost

	YTD 1Q-22	YTD 1Q-23	Var %
Net Financial Expense	81	112	37%
Exchange (Gain) Loss	-233	-420	80%
Others	100	123	
	<b>-51</b>	<b>-185</b>	<b>261%</b>

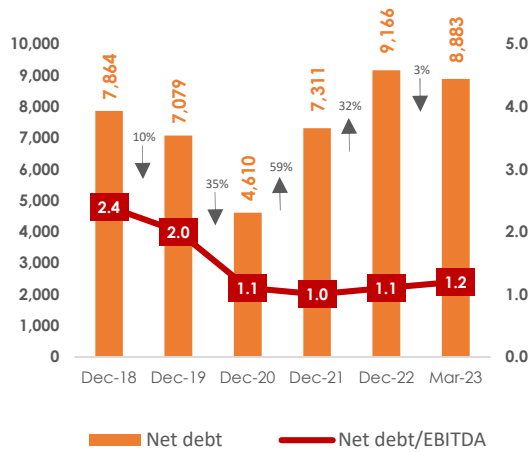
## FINANCIAL PERFORMANCE

Grupo Lamosa continued its investment plan in the first three months of the year, with MXN \$485 million invested primarily in capacity expansions and technology upgrades for its plants both in Mexico and abroad, and in information technologies.

The normalization of operating results, after two years in which the pandemic generated extraordinary demand, due to a change in consumer spending trends, with home remodeling returning to prepandemic levels. Despite this, operating margins remained high and financial indicators sound. The company's net debt was MXN \$8.88 billion, 3% lower than the MXN \$9.17 billion reported at the close of 2022. The net debt to EBITDA ratio ended the year's first quarter at 1.2 times, compared to 1.1 times at the end of December 2022.

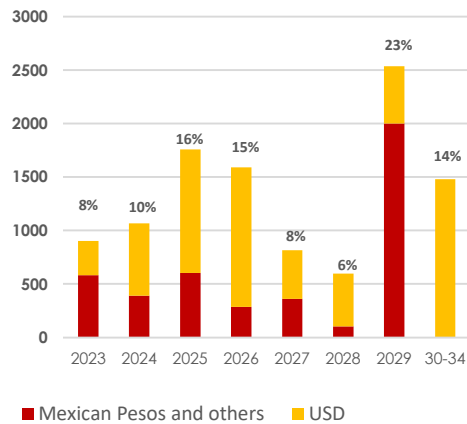
### Consolidated net debt

(million pesos)



### Maturity banking debt profile

Mar-23



Driven by a strategy of growth and diversification, Grupo Lamosa has succeeded in doubling its size in the past 4 years, extending its reach to nine countries in Latin America and Europe, and maintaining a financial structure sound enough to continue supporting its future growth.

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