



# EARNINGS RELEASE

## 2Q23

**Stock Price as of July 21st, 2023:**  
\$121.0

**Outstanding Shares:** 346.6 million

Lower revenues due to normalization of demand.

Net debt to EBITDA ratio 1.3x and investments of \$1,289 million pesos.

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

Income Statement	2 Q			2 Q			YTD			YTD		
	2022	2023	Var %	2022	2023	Var %	2022	2023	Var %	2022	2023	Var %
Net Sales	8,950	7,863	-12%	17,796	16,163	-9%						
Cost of Sales	5,153	4,375	-15%	10,019	9,022	-10%						
Gross Profit	3,797	3,488	-8%	7,777	7,142	-8%						
Gross Margin	42%	44%		44%	44%							
Operating Expenses	2,078	2,063	-1%	4,084	4,250	4%						
Operating Income	1,706	1,422	-17%	3,737	2,934	-22%						
Operating Margin	19%	18%		21%	18%							
EBITDA	1,999	1,732	-13%	4,271	3,553	-17%						
EBITDA Margin	22%	22%		24%	22%							
Comprehensive Financing Cost	309	-354	-214%	259	-539	-308%						
Net Income	874	1,219	39%	2,446	2,311	-5%						
Net Margin	10%	16%		14%	14%							

	DEC		JUN	
	2022	2023	2022	2023
Net Debt	9,166	9,807	7%	
Net Debt / EBITDA <sup>1</sup>	1.1	1.3		
Capex <sup>2</sup>	2,794	1,289	-54%	

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

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

In the first six months of 2023, Grupo Lamosa's results responded to the expected normalization of demand, after two years of extraordinary pandemic-fueled demand that supported the company's growth strategy and propelled it to double its size compared to where it was 4 years ago.

Sales breakdown	México			Foreign			Total		
	jun-22	jun-23	Var %	jun-22	jun-23	Var %	jun-22	jun-23	Var %
Sales	10,292	9,840	-4%	7,505	6,323	-16%	17,796	16,163	-9%
EBIT	2,306	2,361	2%	1,431	573	-60%	3,737	2,934	-22%
Dep. & Amort. and Others	286	428	49%	247	192	-22%	533	619	16%
EBITDA	2,592	2,789	8%	1,678	764	-54%	4,271	3,553	-17%
%	<b>25%</b>	<b>28%</b>		<b>22%</b>	<b>12%</b>		<b>24%</b>	<b>22%</b>	

Sales breakdown	México			Foreign			Total		
	2Q-22	2Q-23	Var %	2Q-22	2Q-23	Var %	2Q-22	2Q-23	Var %
Sales	5,102	4,868	-5%	3,847	2,995	-22%	8,950	7,863	-12%
EBIT	991	1,205	22%	714	216	-70%	1,706	1,422	-17%
Dep. & Amort. and Others	156	242	55%	138	69	-50%	294	311	6%
EBITDA	1,147	1,447	26%	852	285	-67%	1,999	1,732	-13%
%	<b>22%</b>	<b>30%</b>		<b>22%</b>	<b>10%</b>		<b>22%</b>	<b>22%</b>	

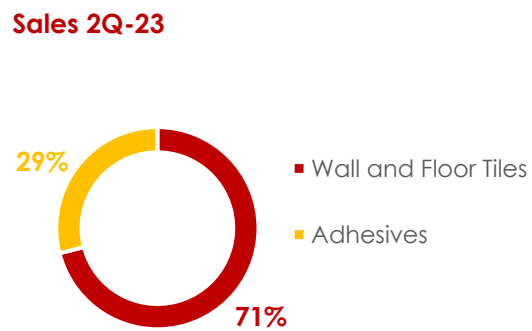
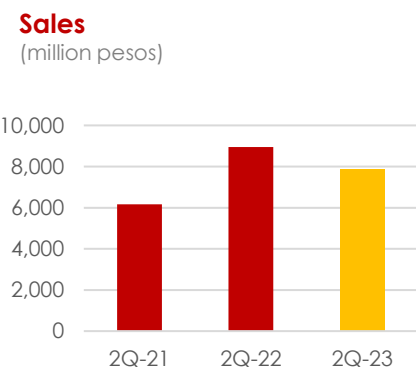
**San Pedro Garza García, Nuevo Leon, Mexico, July 21, 2023.** Grupo Lamosa announces its results related to the second quarter of 2023.

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

**SALES**

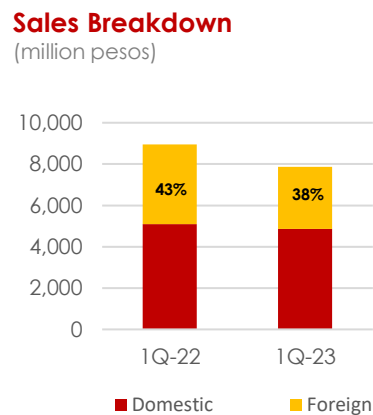
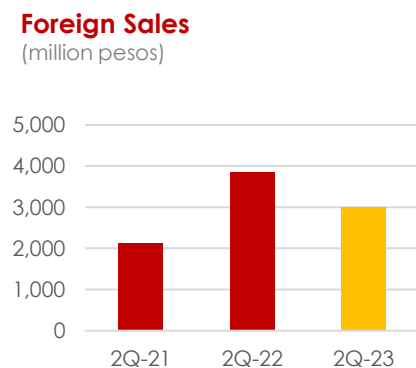
Total sales for Grupo Lamosa in the first half of the year came to MXN16.16 billion, 9% lower than in the year-earlier period.

Sales in Mexico remained sluggish in this period, totaling MXN9.84 billion. This accounted for 61% of consolidated sales and was 4% lower than the number for the first half of 2022.



**FOREIGN SALES**

Sales abroad saw an even sharper reduction in demand, totaling MXN6.32 billion in the first half of 2023, 16% below their year-earlier level.



## PERFORMANCE PER BUSINESS SEGMENT

The results of Grupo Lamosa's businesses at the end of the second quarter of the year are shown below.

	Wall and Floor Tiles			Adhesives			Total		
	jun-22	jun-23	Var %	jun-22	jun-23	Var %	jun-22	jun-23	Var %
Sales	13,420	11,632	-13%	4,377	4,531	4%	17,796	16,163	-9%
EBIT	2,909	2,028	-30%	845	964	14%	3,737	2,934	-22%
Dep. & Amort. and Others	420	470	12%	66	100	51%	533	619	16%
EBITDA	3,329	2,499	-25%	911	1,064	17%	4,271	3,553	-17%
%	<b>25%</b>	<b>21%</b>		<b>21%</b>	<b>23%</b>		<b>24%</b>	<b>22%</b>	

	Wall and Floor Tiles			Adhesives			Total		
	2T-22	2T-23	Var %	2T-22	2T-23	Var %	2T-22	2T-23	Var %
Sales	6,751	5,585	-17%	2,199	2,278	4%	8,950	7,863	-12%
EBIT	1,317	917	-30%	428	503	18%	1,706	1,422	-17%
Dep. & Amort. and Others	230	236	2%	36	50	37%	294	311	6%
EBITDA	1,548	1,153	-26%	464	553	19%	1,999	1,732	-13%
%	<b>23%</b>	<b>21%</b>		<b>21%</b>	<b>24%</b>		<b>22%</b>	<b>22%</b>	

## WALL AND FLOOR TILES

In the first six months of the year, sales in the floor and wall tile business came to MXN11.63 billion, 72% of total sales and 13% lower than the sales reported for the first half of 2022. This reduction is attributable mainly to a shift in consumer spending away from home construction and remodeling.

## ADHESIVES

In the adhesives business, which includes Fanosa operations, revenues for the first half of the year were MXN4.53 billion, 28% of the group's total revenues and 4% higher than in the first six months of last year.

## OPERATING INCOME

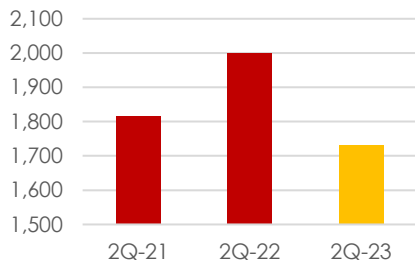
The normalization of the company's operating income, due to lower revenues and higher operating expenses, was partly offset by a reduction in energy costs. Operating income for Grupo Lamosa was MXN2.93 billion in the first half of the year, 22% lower than in the first half of 2022, and a margin of 18% to sales.

Grupo Lamosa reports EBITDA of MXN3.55 billion in the first half of the year, 17% below the level reported in the first six months of last year. The EBITDA to sales margin was 22%.

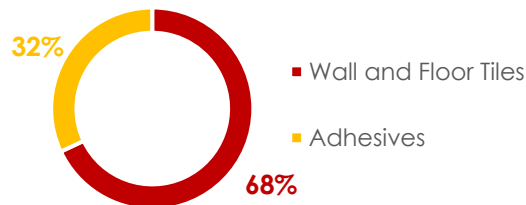


### EBITDA

(million pesos)



### EBITDA 2Q-23



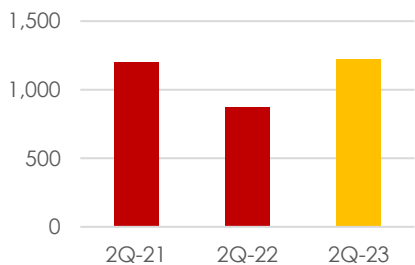
### NET INCOME

In the first half of the year, comprehensive financing result got a substantial boost from foreign-exchange gains, the result of the peso's appreciation of approximately 12% against the U.S. dollar in that period. Despite a 6% increase in net interest expense attributed to higher interest rates, foreign-exchange gains came in at MXN848 million, up from MXN174 million in the first half of 2022, so comprehensive financing result was a benefit of MXN539 million, comparing very well against the MXN252 million cost booked for the first six months of 2022.

The reduction in Grupo Lamosa's operating income was largely offset by the foreign-exchange gains that drove the turnaround in comprehensive financing result, and this gave some support to the bottom line. Net income in the first six months of the year totaled MXN2.31 billion, only 5% lower than in the first half of 2022 and holding steady at a margin of 14% of sales.

### Net Income

(million pesos)



### Net Comprehensive Financing Cost

	YTD		YTD	Var %
	2Q-21	2Q-22		
Net Financial Expense	247	262		6%
Exchange (Gain) Loss	-174	-848		387%
Others	187	47		
	<b>259</b>	<b>-539</b>		<b>-308%</b>

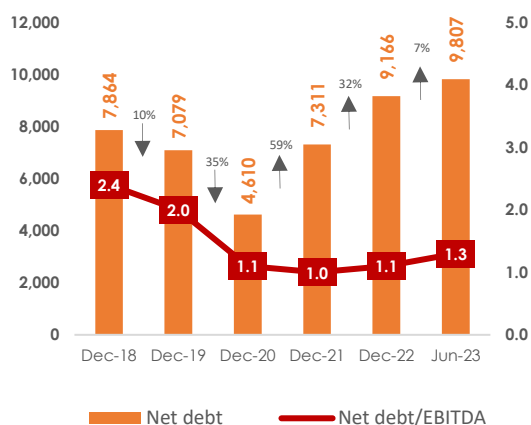
## FINANCIAL PERFORMANCE

Grupo Lamosa continued its investment plan in the first half of the year, with investments totaling MXN1.29 billion. These funds went primarily to optimizing production capacity and keeping plant technology up to date, both in Mexico and in other countries where it is present.

At the close of this year's first half, Grupo Lamosa once again reported a healthy financial structure, which has been reflected in improved risk ratings. The company's net debt stood at MXN9.81 billion at the end of June, 7% higher than the MXN9.17 billion reported at the close of 2022. The ratio of net debt to EBITDA closed the year's first half at 1.3 times, compared to 1.1 times at the end of last year.

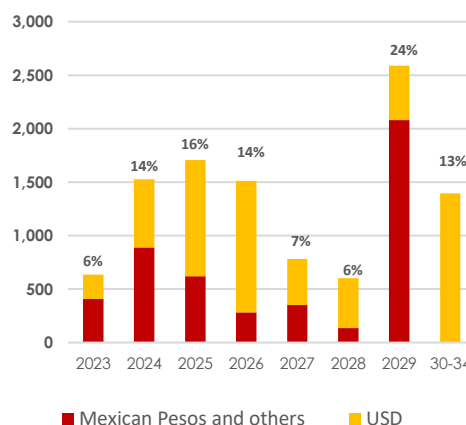
### Consolidated net debt

(million pesos)



### Maturity banking debt profile

Jun-23



Grupo Lamosa continues to move forward on the consolidation and optimization of its recent acquisitions of Fanosa and Roca Tiles. The group's strategy of growth and diversification in recent years has turned the company into a generator of around USD 2 billion in revenues with a growing geographic footprint in the Americas and Europe.

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